CRITICAL REVIEW

VOLUME 8 NUMBER 1 $7.

CLASSICAL LIBERALISMS

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Jacob Segal on Hayek and Oakeshott

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POSTLIBERTARIANISM, FOR AND AGAINST

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POSTMODERNISM, FOR AND AGAINST

Jeffrey Friedman
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CRITICAL REVIEW, An Interdisciplinary Journal, ISSN 0891-3811, CODEN CTRVE3, is published quarterly by the Critical Review Foundation. Indexed and abstracted in *Book Review Index, Current Contents/Social & Behavioral Sciences, Economic Literature Index on* DIALOG, *EconLit on* CD-ROM, *Index to Book Reviews in the Humanities, International Bibliography of Book Reviews, International Bibliography of Periodical Literature, International Bibliography of the Social Sciences, International Political Science Abstracts, The Left Index, Periodica Islamica, The Philosopher's Index, Political Science Abstracts, Public Affairs Information Service (PAIS), Research Alert, Sage Human Resources Abstracts, Sage Public Administration Abstracts, Social Sciences Citation Index (SSCI), Sociological Abstracts,* and *United States Political Science Documents.* Printed on acid-free paper. Available on microform from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, MI 48106. Member, Council of Editors of Learned Journals.

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Ryszard Legutko

ON POSTMODERN LIBERAL CONSERVATISM

In his most recent works, John Gray attempts to achieve two things: to refute the universalist tendencies of modern liberalism and to propose an alternative in the form of postmodern liberal conservatism. While largely supportive of the first, this paper is critical of the second undertaking, which seems a dubious attempt to synthesize postmodern liberal anthropology with a conservative conception of the social order.

John Gray is an intriguing writer. His last two collections of essays, *Liberalisms* (New York: Routledge, 1989) and *Post-Liberalism* (New York: Routledge, 1993), contain ample material to justify this opinion. The books explore a rich variety of subjects using several approaches: conceptual analysis, history of ideas, reinterpretation of classic and modern authors, diagnosis of modern political culture, criticisms of the Anglo-American philosophical establishment, and polemics against Marxism. I am afraid I cannot do justice to the many merits of these works and to the brilliance of Gray's arguments on specific issues. So I will ignore all those matters in which I agree with Gray, simply because there are too many of them and because I could not hope to improve on his treatment of

CRITICAL REVIEW, Winter 1994. ISSN 0891–3811. © 1994 Critical Review Foundation.

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them. Instead I will concentrate on the few selected questions, fairly important for Gray as a thinker, where he and I differ. They revolve around his notion of postmodern liberal conservatism and touch upon four points: his belief that we are witnessing the end of both liberalism and all universalist philosophy—in short, the demise of the tradition of thought that began with Socrates and Plato; his theory of objective value pluralism; his conception of civil society; and his interpretation of modern liberal society.

The End of Philosophy?

Much of what Gray objects to in liberalism—and the critique of liberalism is a leitmotif of the two books—is, in my opinion, indeed objectionable. There has been in liberalism a strange mixture of universalist hubris and philosophical aridity. On the one hand, liberalism has too often succumbed to a thoughtless disdain for all nonliberal thought and practice, as if all of history amounts to merely a too slow and never finished process of emancipation, and as if all philosophical wisdom could be contained in the latest best-selling liberal publication expressing the most advanced phase of liberation. On the other hand, there has been an irritating emptiness to liberalism, a tendency to bracket or to reduce to private preferences the answers to basic human dilemmas, while putting in their place abstractions very remote from what real people actually live and die for.

Yet being in agreement with Gray's general diagnosis of the blind alley in which modern liberalism finds itself, as well as with many specific details of his critique of liberalism, I do not share either Gray's premises or his conclusions. Like Gray I would like to see liberalism enriched, but I doubt if this could—or should, for that matter—be achieved in Gray's way.

One of the things Gray finds unwarranted and untenable in liberalism is its universalist ambition. This is a major point in his argument, but it is far from clear exactly what it means. His thesis, as expounded in *Liberalisms*, has at least three meanings that lead us in three different directions.

Thesis 1: Liberal universalism is unfounded because "there is within the diversity of forms of government and society disclosed to us in history a legitimate variety of frameworks for human well-

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being." The liberal, who prides himself on being tolerant, in fact lacks tolerance since his "universalizing doctrinal zeal" leads him to a silly self-centeredness: "all non-liberal societies stand condemned, together with the excellences and virtues which they harboured" (1989, 239).

Thesis 2: Liberal universalism is unfounded because there are several liberalisms, not necessarily compatible with one another. "The liberalism of Locke has little in common with that of Mill and it is an error to see two liberalisms as moments in a continuous historical process." The result of recent works on the subject has been to effect "a historical deconstruction of liberalism as an intellectual tradition and to retrieve for us the discontinuities, accidents, variety, and historical concreteness of the thinkers indifferently lumped together under the label of liberalism" (1989, 262).

Thesis 3: Liberal universalism is unfounded because one of the lessons of contemporary experience is a discovery of "the foundationlessness of the modern project," which, rooted in the Western intellectual tradition, originated in antiquity. "Not only the project of the Enlightenment, but also that of the Socratic founders of the very subject are seen to be misconceived. The ruination of the project of a liberal ideology will then be seen as encompassing the end of an intellectual tradition central to our self-understanding in the west" (1989, 241).

These are clearly three different sorts of arguments. It is one thing to say liberalism cannot claim universality because it ignores nonliberal contributions to our civilization, and another thing to say that the doctrine itself is inherently particularistic, heterogenous, incohesive, and intrinsically divergent; it is still another thing to say that liberalism cannot be universalized because the whole tradition that made possible a claim to universalism has collapsed. Morever, some of the obvious senses in which these three arguments can be understood are unconvincing, if not entirely false: all philosophical theories are to some extent too self-centered, and all suffer from internal fragmentation and inconsistency; with regard to the end of philosophy, it has been so often announced that it has become a part of philosophical folklore.

I will ignore theses 1 and 2: the first I find accurate and cannot improve upon; the second is, in my opinion, rather uninteresting, for, if accepted, not much follows from it, certainly much less than Gray implies. I think it is worthwhile to devote some space to the

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third thesis—which I consider presumptuous—as it accounts for a substantial part of both Gray's destructive and constructive projects.

There are important reasons why statements about the end of foundationalist and essentialist classical philosophy should be treated with utmost skepticism. All such claims presuppose some kind of fatalism, with the implication that whoever is foolish enough to adhere today to foundationalist metaphysics will sooner or later find himself in the dustbin of history. In that sense the postmodernists, speaking in the name of irreversible changes, resemble Marxists and, like them, demonstrate a remarkable but ultimately arrogant ease in drawing the line between the old and the new. The development of philosophical thought has shown that there cannot be a final verdict on any type of reflection and on the culture it animates; that revivals, renaissances, and rebirths happen as often as declines and demises; and that since there has not been a definitive collapse of any major orientation for two and a half millennia, it is hard to believe that a collapse is now in progress.

Gray rightly criticizes liberalism for its insensitivity to the value of nonliberal contributions, yet he himself seems to commit a similar mistake. When Gray advises us to respond to a recent philosophical revolution by cutting ourselves off from a large body of philosophical reflection, including ancient Greek and medieval Christian thought, he seems to me to counsel a self-inflicted spiritual and cultural mutilation. It is one thing to be critical of certain trends in the Western intellectual tradition and to look for one's roots outside the philosophical mainstream, and quite another to speak of "the end of an intellectual tradition central to our self-understanding in the west."

Fortunately, Gray as an author, his revolutionary declaration notwithstanding, does not appear to have altogether rejected the legacy of "the Socratic founders"; rather, he seems to be greatly indebted to them. So it is somewhat puzzling that Gray, who does not spare harsh words when speaking about the gurus of American academia responsible for the intellectual fashions that have damaged so much of today's culture and impoverished our philosophical sensibility, seems to be so strongly attracted to one of their favorite ideas. Multiculturalism, for example, a phenomenon of which he emphatically disapproves, is after all a direct descendant of a belief that he shares with "the liberal nomenklatura" and the "culturally illiterate lumpenintelligentsia" (1993, 294), namely, the

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notion that in the (post)modern world, classical concepts and distinctions have become obsolete.

The Triumph of Objective Value Pluralism?

Let us be more specific. The discovery Gray believes has been fatal to the foundations of the Western tradition is, as he calls it, objective value pluralism, which "affirms that ultimate values are knowable, that they are many, that they often conflict and are uncombinable, and that in many such conflicts there is no overarching standard whereby their claims are rationally arbitrable; there are conflicts among the incommensurables" (1993, 291). For this insight Gray gives credit to Isaiah Berlin, who is reputed to have discovered it in pre-Romantic thinkers opposed to the rationalist monism of the Enlightenment, particularly in Vico and Herder. Whether Berlin interpreted Vico and Herder accurately might be disputed, but the general idea of objective value pluralism is clear regardless of its historical origins. What is not clear, however, is the idea's validity. What explanatory and critical power can be attributed to the thesis that certain ultimate values are incommensurable?

Let us note that the word of crucial importance here is "ultimate." The incommensurability of lower goods is not a problem, either for the Socratic founders or for anyone else. When Gray points out the need to choose "between a life devoted to intense physical pleasure, and a life devoted to long-term projects, or the life of a family man who wishes to live long enough to see his grandchildren grow" (1993, 293)—and he gives many examples of that sort—by no stretch of the imagination does he strike a deathblow at either the Greco-Roman or the Judeo-Christian tradition or at others of much importance. In the classical capitalist ethos, for example, these types of life were clearly commensurable and were evaluated hierarchically. But even if they were not, this would not make the slightest difference because it is obvious that an ethical system must have—as the ancient Greeks were the first to notice—a complex architectural structure that encompasses various hierarchies. One cannot argue that since doors and windows do not compare on a scale of importance, the project of building a house lacks unity; similarly, we cannot argue that since a culture does not possess criteria by which it can rank the value of the life of a hermit

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against that of a warrior, that culture is fragmented and lacks an overarching ideal. To make such a conclusion plausible Gray imputes to the classics a belief in "a single scale of excellence" (1993, 289), but such a scale, which would make it possible to compare every pair of aspects of social life, is a rather absurd notion and was never claimed by any major classical thinker. Certainly, natural law, to which Gray alludes in this context, was never thought to be "a single scale of excellence."

Lower incommensurables have been a part of our experience from time immemorial, and it would be odd to think that the Greeks or the medieval Christians or Jews were somehow unable to identify them. It is also misleading to speak, in this context, of "tragic choices" (1993, 293) and to imply that the very ancients who discovered and interpreted the notion of the tragic for us—which we moderns have been incapable of reproducing or imitating—were blind to it.[1] Choosing between becoming a priest or a soldier—clearly two incommensurables—is no more tragic than staying at home in the summer or going on a vacation. Indeed, if anything, it is Berlin's and Gray's objective value pluralism that seems to be devoid of the tragic in any meaningful sense of the word. Apart from the question of a religious dimension of the ultimate—an essential component of the tragic, and hardly an issue for Gray and Berlin—objective value pluralism lacks two essential ingredients for the recognition of tragedy: the notion of necessity and the notion of unity. When there is no impersonal necessity—fate or a higher moral imperative—there is no tragedy. Antigone and Creon, viewed in the light of value pluralism, are at best impractical doctrinaires, and at worst stubborn blockheads, unable to see that the only sensible solution for them was a compromise which, unaccountably, they refused to make. Similarly, there is no tragedy when there is no sense of the unity of morality, however vaguely felt. What moral loss is there for me when I become a priest instead of a soldier if they are treated as two incomparable ways of life, each having its own excellences? I would venture to maintain that moral pluralism, especially of the postmodern version, is inherently anti-tragic and was conceived as such. In a fragmented world, where there is no moral center, but only peripheries, each periphery becomes its own disconnected center: so many options are regarded as equally good that few may feel degraded by alternative ways of life or alternative moral outlooks. Even the fact

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that some forms of life are obviously unattainable to us is hardly frustrating because, given their radical incommensurability with how we live, we do not even know what we are missing: how many American university professors or TV anchormen find it tragic that they cannot experience the joys of Eskimo life, undoubtedly valuable by some nonrelative standards?

Objective value pluralism is, by contrast, important with respect to ultimate values. Its message is crucial in constructing any ethical system that proposes to give an ultimate and exhaustive interpretation of morality. All absolutist theories thus fail in some respect because one cannot construct a system that would satisfy all human ideals—one in which people would be fully natural and fully civilized, where there would be absolute justice and absolute compassion, and so on. This is what renders utopian the tendency to try to include in one social order all that men have aspired to throughout their history. Yet there are several reasons to think that the importance of the incommensurability of ultimate values in ethics and political philosophy has no bearing on the question of the relevance to the modern world of classical philosophy.

First, it is not true that a recognition of incommensurability was alien to "the Socratic founders." Even Plato—undoubtedly the most hierarchical and absolutist thinker of antiquity—saw the inherent incommensurability of some important values. For example, in the *Theaetetus* there is a long digression about the inherent conflict between the city and the philosopher that might be interpreted as a conflict between politics and truth, civic life and contemplative life, and so on.[2] And although Plato did not have the slightest doubt as to which side is superior, the conflict still illustrates the incommensurability of values because both sides must suffer each other and neither may hope for victory (unless it be, as the trial of Socrates showed, a physical victory of the *demos*): both politics with its imperfections and philosophy with its search for perfection are irreplaceable. In the *Politicus* we have another case of incommensurability, this time illustrated by three different hierarchies of political regimes, each according to different and mutually exclusive criteria, effectively undermining any claim to "a single scale of excellence." Particular attention is drawn to the distinction between regimes that, based on laws, are safe but imperfect, and those that, in aspiring to imitate the perfect art of politics, are not safe and are likely to degenerate into tyranny. An even more explicit example is in the *Laws*, where Plato compares

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"two matrices of constitutions from which all others may truly be said to be derived"—monarchy and democracy (693d). These two matrices serve two antithetical values—authority and liberty—but both constitutions are good: "This was why we took the examples of the most autocratic of communities and the freest, and are now asking ourselves in which of the two public life is what it should be. We found that when we had a certain due proportionality in either case, in the one of authority, in the other of liberty, there was a maximum of well-being in both societies" (701e). A mixed constitution, which is a solution to this dilemma (an idea to be taken over and elaborated by Aristotle), does not alter the essential incompatibility of the two "matrices," because their combination is achieved through a compromise by which they lose their ultimate character. This is exactly how divergent values are combined in modern regimes. The modern Western world has succeeded in partially overcoming the conflict between liberty and equality by increasing both simultaneously; it has also succeeded in making its institutions and practices both more just and more compassionate. Even if, as some argue, we have come to a point where we cannot move farther in implementing both pairs of values and must trade more liberty and justice for more equality and compassion (i.e., social justice), or vice versa, this does not alter the fact that to a certain degree a compromise satisfactory for both parties—Social democrats and libertarians—is feasible.

Second, while the Socratic founders and the medieval philosophers believed in a hierarchy of goods, the highest good about which they spoke did not have an easy application to practical matters. It was more a theological or ontological concept than a moral or political one. Plato, for example, clearly refers (*Rep.* 511b) to the supreme form of the Good in discussing how the philosopher grapples with the problem of knowing the Unconditional and the Unhypothetical (*to anypotheton*). The *Republic* was probably his only attempt to make some transition from knowledge of the absolute to knowledge of politics. In the other dialogues, however, his theological or ontological analyses did not bear obvious translation into political precepts, or, if they did, they pointed to the diversity of legitimate political regimes. In Aristotle the ideal of the contemplative life in the tenth book of the *Nichomachean Ethics* also leads us to theology rather than to politics. For "such a life," Aristotle writes, "would be too high for man; for it is not in so far as he is

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man that he will live so, but in so far as something divine is present in him" (1177b25–30). The other interpretation of the highest good, presented in the first book and usually called inclusive because it is composed of several independently valued things, does have political implications but it does not sanction a single regime. Similarly, when Aquinas speaks of *lex aeterna*, he defines it theologically as *summa ratio in Deo existens* (*Sum. theol.* I-II, 93,2); when he comes to *lex naturalis* and then to *lex humana*, more diversity is allowed.

Generally speaking, the fact that classical political philosophy had a theological dimension enabled its practitioners to conceive of the highest good in a noninstrumental sense and to avoid the simplistic image of "a single scale of excellence." Nothing in the concept of the highest good prohibited them from seeing the complexity of political institutions and of their evaluation. If they were too eager to establish hierarchies, it was not because of the concept of the highest good but because they thought political equality was less valuable than we do. Naturally, the fact that the theological dimension has evaporated from large areas of modern philosophy does affect the way we assess political institutions. But this is a different problem from the alleged "end of the classical tradition" as understood by Gray.

Third, objective value pluralism is not itself immune from the error Gray wants to combat. It is not, for example, free of utopian inclinations. The fact that certain values are incommensurable and cannot be combined may have been fatal to projects of perfect government like Plato's or Campanella's, but it does not eradicate all possibility of a utopia, that is, a final pattern of a political order. The best example of such a pattern is Robert Nozick's "utopia of utopias" or "meta-utopia," as he calls it,[3] an order that potentially consists of infinitely many communities, each serving different values or combinations of values. The dilemmas of incommensurability are thus retained, though at the same time rendered powerless, because in an order of segmented pluralism all divergent ethical systems may very well coexist and all forms of life may be represented, while individuals have a chance to go at will from one to another. To avoid a possible misunderstanding, let us note that Gray is highly critical of Nozick's philosophy and for good reasons. He also openly dissociates himself from such liberal fantasies as Mill's "experiments in living" which, different as it was from Nozick's view, also implied the possibility of an unproblematic

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replacement of one form of life by another (1989, 243–44). Yet in these criticisms Gray does not go so far as to admit that a significant element of easy universalism—of the type he criticizes—also inheres in objective value pluralism. The banal truth is that in modern universalistic and globalistic ideologies, far from encountering Platonic moral authoritarianism, we almost always start from the assumption of the incommensurability of values and seek to make the world safe for moral diversity. This might be, I admit, a crude version of value pluralism, but it is value pluralism nonetheless. Particularly in postmodern thought, with which Gray has some sympathy, we are promised a new era of global polycentrism—of both more individual freedom and more solidarity, of both more individual self-determination and more community, of both multipolarity and more global communication.[4] To my knowledge, there has never been a project in the history of political utopianism so deliberately planned to satisfy the requirements of incommensurability. This pluralistic utopianism might be an important link—even if we disregard all others—between the classical and the postmodern search for perfection. Those who opt for the new world where value pluralism will be the highest principle do not differ much from the classical utopians in the confidence they display in the beneficial character of their project. They also share a sense of political and moral finality that the classical philosophers applied to omnipotent bureaucratic structures, and with which they defend a centerless order based on foundationless epistemology and serving nonhierarchical human ideals.

Civil Society and Weltanschauung-*States*

In the next step of his argument, Gray reasons that since universalist liberal ideology is misconceived (oddly, he does not seem to distinguish between ideology and philosophy, which results in a considerable simplification), it fails as a formula for the modern world; moreover, it might become a force threatening existing diversity, as it tends to erode inherited practices, both nonliberal and liberal. This point seems to me well taken. The homogenizing power of liberalism is, I think, a major factor penetrating deeply into modern life, and Gray is right in treating the ideology of diversity as a liberal self-deception, ultimately leading to the de-

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struction "of our patrimony of civil institutions that is presently well under way in the West" (1993, 327).

Having rejected universalism, Gray puts forth the thesis that what we are left with, what is worth defending and what in fact represents "a near universal" idea of political order, is civil society. It is "near universal" because it is devoid of teleology and merely points to "a necessary condition, in virtually all contemporary historical contexts—which are contexts of cultural pluralism in varying degrees—of a common life for those with divergent values and conceptions of the world" (1993, 320). Civil society, in Gray's account, appears capable of embracing many forms of collective life, not only democratic but also authoritarian; many cultures, Western and otherwise; and many of the forms of social life found in different historical epochs. There is nothing inherently modern, liberal, or European about it, although it might have been a European invention.

Civil society is defined as "the domain of voluntary associations, market exchanges and private institutions within and through which individuals having urgent conceptions and diverse and often competitive purposes may coexist in peace" (1993, 159). Its constitutive features are that: (i) "one of its contraries" are the "*Weltanschauung*-states of both ancient and modern times," meaning that "a civil society is one which is tolerant of the diversity of views, religious and political"; (ii) it requires that "both government and its subjects are constrained in their conduct by *a rule of law*"; and (iii) its central institution is "the institution of private or several property" (ibid., 314–15).

This part of the argument is largely convincing, though far too laconic, considering the complexity of the issues. Yet here, too, some objections can be raised. I will leave aside the questions whether the distinction between the "universality" Gray rejects and the "near-universality" he espouses is sufficiently well qualified to hold, and whether what he dismisses as groundless universalism might not be reformulated in conditional terms—that is, in the very way he defines "near-universalism." To discuss this would require a detailed analysis of specific theories drawn from classical philosophy (the Socratic theory of the unity of virtues, for example) and would go well beyond the limits of this review.

The weakest part of Gray's reasoning about civil society is, I think, the first point, contrasting civil society with *Weltanschauung*-states. In its positive formulation it becomes almost circular or,

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depending on how one looks at it, tautological. The statement that "a civil society . . . is tolerant of the diversity of views"—which is supposed to give us one of three features of civil society, the other two being the rule of law and private property—sounds like a definition of it ("individuals having urgent conceptions and diverse . . . competitive purposes may coexist in peace"), and is therefore superfluous. The negative contrast with *Weltanschauung*-states is thus obviously preferable. The problem is of course the meaning of the German term which, surprisingly, Gray never explains. His illustrations—communist totalitarism with its quasi-religious ideology, theocratic regimes, and a hypothetical American society in which liberalism becomes a ruling ideology in the way Marxism was in the Soviet Union—are hardly informative: first, because *Weltanschauung* denotes something less rigid and less easy to articulate in the form of an ideology than it is in these examples, being more a common culture than a codified doctrine; and second, because these are extreme cases. Are we to suppose that there is no civil society unless common culture is abandoned or ceases to play any role in political life? If so, most Western polities would not count as having strong civil societies: can one not say that France or Britain or Japan or the United States each possess a type of cultural identity that is reflected, however imperfectly, in their political institutions—that, in brief, each of those states serves, and is partly determined by, a certain historically formed *Weltanschauung*? Between commissars and ayatollahs on the one hand, and no common culture on the other, there is a long way; there are many shades of *Weltanschauungen*. How do they stand in relation to civil society? Most Christian societies, to give an obvious example, were clearly *Weltanschauung*-societies, but Gray would certainly include them among social orders characterized by strong civil societies; the same goes for the modern Israeli society.

A note of bewilderment might be added to these complaints about imprecision when one considers other statements about the relationship between culture and politics that are difficult to reconcile. In Gray's essay "The Politics of Cultural Diversity," he challenges the idea that "the varieties of human identity . . . ought nevertheless to be mirrored or imprinted in the central institutions of political order" (1993, 254), suggesting that, in his view, political institutions should be culturally neutral. On the other hand, in his piece on Oakeshott, he makes a contrary statement:

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> It may well be that it is precisely in its kinship with classical liberalism on the nature of the authority of the state that the Achilles heel of Oakeshott's political thought lies. Both assert that the authority of a modern state depends neither on its success in any substantive purpose nor on its relationship with the cultural identity of its subjects. . . . For us, who live in an age of mass migrations and fundamentalist convulsions, and who are witness of the dependency of political allegiances on resurgent local cultural identities, ethnic and religious, in the post-Communist world, it is clear that the authority of the state that . . . acts as a custodian of civil association . . . cannot long do without the support given it by a common culture. (Ibid., 45)

The problem of *Weltanschauung* and politics, of common culture and institutions, is particularly relevant to premodern and nonliberal civil societies, which Gray rehabilitates and rescues from the moral anathema put on them by liberal ideology. (Let us suspend, for a moment, the question whether and to what degree a modern liberal civil society needs a common culture.) It seems rather obvious that in premodern societies political institutions drew their strength more from culture in the broad sense—religion, moral and institutional traditions, strong group loyalty (as in the case of the Polish gentry, which built its own historical mythology)—than from coercion, which was fairly inefficient when compared with the coercion in modern totalitarian countries, or from such abstract notions as utility or contract (which are more characteristic of modern societies, mobile and abstract). Gray is, needless to say, aware of all this, yet occasionally he seems to forget it:

> On the view presented here, civil societies, in all their legitimate varieties, are the living kernel of what was "liberalism." Even when their political institutions are authoritarian, or their moral culture not individualist, civil societies of all kinds embody a voluntarist conception of human association, and thereby express (or soon come to animated by) a culture of liberty—a culture in which individuals are free to come together in pursuit of shared purposes, but need have no enterprise in common. (1993, 318)

While authoritarianism and liberty are obviously combinable, as in Hobbes (though Gray's term "culture of liberty" is, in my opinion, inappropriate in this context), I find it hard to understand how a nonindividualist moral culture can embody "a voluntarist conception of human association." The whole point of nonindividualist

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moral culture is that institutions and associations are not man-made conventions but corporate persons which have, so to speak, lives of their own, to which individuals have obligations, to which allegiance is seldom voluntary, and from which exit is certainly not a matter of free individual decision.

Postmodern Liberal Man in Liberal Conservative Society?

The final step in Gray's argument is his conception of modern liberal civil society, which he believes to be a viable alternative to the type of order that is proposed by liberal ideologies. This society is simply a complex structure of liberal practices and institutions, historically singular and ultimately contingent, which we have inherited and which is our fate. It does not derive from timeless truths about human nature, morality, or the essence of being, and there is no philosophical argument that can make it universally binding or historically necessary. It does not exist through abstract principles but through our participation in the inherited institutions and forms of conduct which, in turn, give us information about what we are as a community, what it is legitimate to aim at and with what means. All liberal slogans such as liberty, equality, or progress make sense only as practices rooted in our cultural legacy and in the experience this legacy conveys.

This description, as it is easy to see, contains tenets that go back to Edmund Burke and that were later to recur in many versions of the British liberal-conservative tradition. But what is new in Gray is what he adds to this description and how he characterizes the people and ideas that keep this society going. It is the combination of these two elements that produces Gray's postmodern liberal conservatism.

First, he rejects the communitarian notion of "a radically situated self" and its implication that an individual is defined by membership in a single moral community. In the postmodern world we are shaped by a different kind of experience:

> The experience of *marginality* is familiar to all of us as a dimension of our identity which is integral to it. Because it is our condition to belong to many different, and often discrepant networks and communities, we belong wholly to none of them. The power of distancing ourselves from any relationship or attachment, of imagining ourselves to have severed or altered any one of the many involve-

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> ments which enter into our identities, is itself a central element of our identity. (1993, 263)

Second, Gray's moral theory is built around a concept of "human flourishing" and is supported by an epistemology he calls internal realism. "It specifies as the subject matter of ethics human well-being and flourishing, not as consisting merely or mainly in subjective preferences or desires, but as a matter that is at least partly objective, encompassing the use of human capacities in a life that is, or may be, reflectively judged to be worthwhile" (1993, 295). But can we speak of the objectivity of values when postmodern individuals, shaped by the experience of marginality, no longer treat any moral commitment to a community as irrevocable? Gray explains: "Values . . . are discovered by us when we find our responses coming to equilibrium under appropriate circumstances of experience and reflection. Such realism is a form of *internal* realism, in that it conceives of values or reasons for action, not as external Platonistic entities of some sort, but as truths about our natures and practices" (1993, 297).

Third, Gray posits his own conception of the person—compatible, as one would expect, with a rejection of a radically situated self and with his notion of internal realism. In this he acknowledges inspirations from Hobbes, Hume, and Spinoza:

> In Hobbes's model the person is equipped with desires and goals and with the disposition to prevail over others in contexts of material and moral scarcity. He is not a creature altogether devoid of moral attributes, since he has the capacity to make and keep promises, but he is not defined by any ideal. . . . The person, possessing this autonomy of Humean rather than Kantian kind, will have reason to be prudent if, and only if, prudence is dictated by his goals. . . . If we want a formula for the conception of the person, we may turn from Hobbes to Spinoza, and equip our construction with the attribute of *conatus*—the disposition to assert one's power and freedom in the world. (1989, 181–82)

In view of all this, the question of fundamental importance becomes, obviously, what type of consensus can be formed among such persons, each seeking internal reflective equilibrium and each asserting in action his power and freedom. Gray writes, for instance, in a discussion of Rawls's recent work, that

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> undergirding our experience of moral diversity and conflict, our culture contains a subterranean layer of convergence on how persons are to be conceived as moral beings. . . . Our society does harbour value-perspectives and views of the world that are incommensurable and, despite this . . . we do appear to be animated by a shared sense of ourselves as individuals. . . . [Yet] it is far from clear that an investigation of our cultural tradition in its contemporary manifestations would yield much in the way of a shared conception of the self. . . . I cannot see that overlapping consensus has any definite content—unless it be only the minimal sense of self, or individuality, that is preserved across conflicting commitments and forms of life. (1989, 180–81)

In another passage, characterizing his own "postmodern liberal conservatism," Gray writes:

> What is important is the possibility of a form of political solidarity that does not depend on shared moral community, but only on the mutual recognition of civilized men and women. Such solidarity may be . . . as rare as it is precious. . . . Yet, so long as we can learn the skill of defending with inflexible resolution an order we know to be underwritten neither by nature or history, we have reason to hope that the idea of a society of many distinct but interpenetrating traditions, a society in which men and women come to respect and cherish their differences and are ready to act together and protect them, is more than an idle dream. (1993, 271)

In yet another passage, in which Gray explains his objective pluralist epistemology, he writes that

> though convergence is expected on judgements as to which forms of life embody human flourishing and which do not, there will not be convergence as to which among these is to be adopted, since the conceptions of the good they express are incommensurables. Further, within any conception of the good or the form of life it animates, there will be convergence on its component goods and excellences; but not on what is to be done when they come into conflict with one another. (Ibid., 312)

I have quoted extensively from Gray's books to demonstrate how ramified his conception is and how many different fields it covers. One point, however, seems obvious at the outset. Considering the fact that in the quoted passages we find most of the

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important pieces of information that the books contain on this subject, Gray's exposition appears much too synthetic in view of the complexity of the problem he has undertaken to analyze. A case in point is Gray's epistemology, a vital aspect of his interpretation of civil society, which also underlies the notion of human flourishing. Here, however, disappointments await us. The statement about values as "responses coming to equilibrium under appropriate circumstances of experience and reflection" does not say much, lacks clarity, and poses too many questions (almost every word needs explanation) to pass for a plausible epistemological hypothesis. The same method of laconic presentation may be held responsible for certain incongruities of which Gray's conception is unfortunately not free. A good example is provided by the three views just quoted about the nature of the consensus in a liberal civil society. The first quotation allows that there is virtually no convergence in terms of moral content, so that the only common idea is individualism, understood as a shared conviction that human individuals are moral agents. The second quotation holds that an order animated by such a thin consensus on individualism may generate a "solidarity of civilized men and women" and be defended "with inflexible resolution," which is a somewhat bold conclusion considering the shallowness of what binds people together. The third quotation, claiming that in a liberal civil society we may hope for a consensus about "which forms of life embody human flourishing and which do not," clearly contradicts the first passage which said that the consensus does not have "any definite content."

The incongruities are, I think, deep and stem from the basic problem that pervades Gray's entire conception. This is a disjuncture between a thick interpretation of society and a thin interpretation of human nature and morality.

In many respects modern civil society resembles, in Gray's view, premodern civil societies, having a comparable variety of institutions and practices as well as a rich network of group loyalties. Gray seems to argue that underneath a veneer of universalist ideologies, such as communism and liberalism, one finds richly diversified social structures, respected as our heritage but at the same time subject to alterations. Even the postcommunist countries have, he claims, their own original forms of civil society that have come to the fore after the abolition of the ideocratic system, originally imposed on them, as he persistently repeats, through the idiom of

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Western ideological universalism. He speaks of modern civil society as "a society of distinct but interpenetrating traditions" (1993, 271); he believes it has to have "a rich public culture containing a diversity of worthwhile options" and "a rich cultural environment" and, for this reason, he attaches particular importance to the category of "form of life," maintaining that these "are intrinsically valuable activities or practices, independently of the contribution they make to the good lives of individuals," and that "it is they, not the individual lives in which they are instantiated, that are ultimately and primordially valuable" (ibid., 309).

It thus comes as no suprise when Gray asserts that "individualism is never the bottom line in what has value" (ibid., 311), meaning that individual preferences are not the ultimate standards but that individuals may flourish only through the "forms of life"—art, science, politics, family, and so forth—that social practices have generated and perfected. The obvious implication is that the richer a society in forms of life, the more opportunities it allows for human flourishing. Let us also add that this thick conception of society is strengthened by Gray's notion of philosophy, or rather "theorizing," his preferred term. Philosophy is, in a way, subservient to practice: its task is to illuminate the world of practice from within. Societies develop through their own logic and dynamic, and philosophy cannot be their guide, nor their guardian.

Gray is not unaware of all the processes that might undermine society as he wants it to be, particularly the self-destructive processes that are generated by liberal civil society itself. In *Liberalisms*, for example, he notes somewhat *en passant* that "a liberal order undermines important virtues, including virtues upon which that order itself depends. The hedonism characteristic of market societies may threaten the martial virtues that are indispensable to it, and individualism may weaken the familial virtues on which an individual order rests" (1989, 260–61). Yet remarks of this type are rare, and usually in the context of arguments directed against the hubristic assumption of liberal ideology that the society it upholds is self-sufficient and superior to all nonliberal ones. The general impression one derives from Gray's work is, in contrast, that—apart from the threat posed by liberal ideology—liberal civil society has preserved its internal richness and complexity and that there are no tendencies in modern culture powerful enough to make us doubt that it will continue to do so. Since he leaves out

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such obvious homogenizing factors as technology and virtually ignores the impact of liberal practice—which may be no less homogenizing than that of liberal ideology—Gray's conception sometimes appears almost aprioristic: it is a definition of civil society, not a diagnosis of modern liberal reality, that stands behind his picture of thriving heterogeneity.

To what extent this picture is defensible is of course a debatable point, but what matters here is that Gray combines—unacceptably, to my mind—this picture of a society with a thin interpretation of the human person. This is a person, it will be recalled, whose sensibility is largely liberal and postmodern, shaped by an experience of marginality; a person who thinks and acts according to certain cultural codes, being fully aware of their ultimate foundationlessness; a person who, belonging to many communities, "belongs wholly to none of them"; one who can distance himself "from any attachment" and has "the power of imagining himself to have altered any one of the many involvements which enter into his identity"; one who resembles a Hobbesian man whose moral attributes do not go beyond "a capacity to make and keep promises," but who shares with other members of the community the belief that some forms of life are more valuable than others; one who "has reason to be prudent if, and only if, prudence is dictated by his goals"; one who "is not defined by any ideal" but by "the disposition to assert his power and freedom," yet one for which this disposition is curbed by culturally conditioned "internal realism."

It is far from clear how this person—coming as close to the Weberian notion of *Entzauberung* (disenchantment) as one can imagine—relates to Gray's society. My opinion is that Gray commits a mistake that is not rare in those political theories that acknowledge their philosophical debt, however qualified, to postmodernism. He assumes that someone who sees through the abstractions that have allegedly mystified human existence for ages and who no longer finds much credibility in Logos, Nature, Essence, Moral Order, Telos, and other suchlike categories that have traditionally shaped our mind and its reading of reality, will somehow refrain from using his deconstructive razor in the world of inherited practices and traditions; that a person whose mind and heart have become disenchanted will cherish and defend the element of enchantment that inherited practices and traditions must have in order to persist; that, for this person, there will still be such

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a thing as "many distinct but interpenetrating traditions" and indeed that the term "tradition" will mean—despite the experience of *Entzauberung*—something more than a Hobbesian *modus vivendi* or a set of epistemological conventions. What and who, one might ask, will keep those traditions, forms of life, and practices alive if no one holds any serious attachment to any one of them, and if everyone can at every moment distance himself from, and imagine himself to be free of, any involvement in them? Can a society have "a rich cultural environment" in the sense of a multiplicity of valuable ideals if the identity of people who live there and who create this environment is determined by "the experience of marginality"? Why should forms of life be viewed as carriers of values by Gray's postmodern liberal individual, and why should they be respected and protected "independently of the contributions they make to the life of individuals," if what primarily characterizes this individual is "the disposition to assert his power and freedom in the world"?

One might rather think it more plausible that Gray's postmodern liberal man is a cultural parasite who thrives on the environment created by others, and that his marginality, his lack of durable attachment, his individual self-assertiveness, his disenchanted attitude to ideals and collectives, exhaust inherited practices, forms of life, and traditions rather than giving them a new impetus. The diversity he publicly espouses and carries as a *Weltanschauung* emblem is ideological, not cultural. He is not a person of many cultures and his world is not that of many cultures either. He can write on his banners the slogans of polycentrism, but he is indistinguishable from his neighbor who carries the same banner with the same slogans. The society consisting solely of postmodern liberal individuals would probably hail diversity as did no other society in history and would probably produce the noisiest ideology about how human beings flourish when "suckling on the milk of many nurses," and yet it would be a conspicuously homogeneous society. With philosophy being absorbed by liberal democracy (Rorty) or by liberal practices (Gray), such individuals will share, to use Rorty's expression, "the air of light-minded aestheticism"[5] in their approach to history, philosophy, religion, art, tradition, community, precluding the emergence of any substantial differences on any important questions. Moreover, such an attitude precludes the emergence of such differences not because they have been settled and some deeper consensus has been established, nor because individuals and groups have found some practical means of coexistence

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despite philosophical divergences, but because the questions themselves have been invalidated by the postmodern mind, which, to put it crudely, has become bored with them.

For some reason Gray ignores or at least does not give sufficient attention to the powerful process of homogenization which the postmodern mentality brings about. Not only is this a serious drawback in his argument, it also gives his conception of postmodern liberal conservatism such a degree of inconsistency that it is doubtful whether its two basic components—British liberal conservatism and postmodern liberalism—will ever coalesce; it is more likely that either one or the other is eventually bound to take the upper hand. One may accept a thick interpretation of society such that inherited practices and forms of life are viewed, in a way, as "Platonistic entities which exist independently of their practitioners" (1993, 310); in that case, such practices and forms of life are respected and protected as carriers of values and as important sources of individual and collective identities, and—despite the conflicts which have to occasionally arise between those practices and individual interests and aspirations—they are kept alive by the loyalty and obligation that individuals naturally have to them. Such inherited practices and forms are neither substitutes for metaphysics and political philosophy, nor are they the horizons of our epistemology, but rather are the forms of experience in which essential philosophical questions are reflected. Alternatively, one accepts a thin interpretation of man, and society loses its cultural heterogeneity, while turning into a network of more or less effective contractual relations, conventions, utilitarian devices, and other forms of *modus vivendi*. Then there is no essential conflict between individuals and the forms of *modus vivendi* because those forms do not have an ultimate value and are by definition adaptable by and subservient to the needs of individuals and groups. Differences, no longer viewed as opposites and no longer having any metaphysical foundations, become reduced to playfulness, games, speech acts, rhetoric, rules of discourse, and so forth. However, to believe, as Gray does, that one can simultaneously have both socially entrenched forms of life regarded as values and postmodern liberal individuals who view all hierarchies and determinacies of those forms through the perspective of the disenchantment; to believe that inherited practices do not "license the wanton sacrifice of individual well-being for the collective good" (but what of non-wanton sacrifice?) and that there is not "any general conflict be-

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tween [an individual's] well-being and his form of life" (ibid.)—such beliefs seem to be more like moral postulates than legitimate consequences of Gray's proposed theory or of the interpretation of current realities.

Whether the liberal conservative or the liberal postmodern approach better describes modern civil society is, of course, a different problem. Probably—and this is hardly a controversial thesis—neither should be a priori disqualified. It is doubtful, however, if one can have the best of both worlds and keep in harmony, whether in one theory or one culture, two forces that are essentially incompatible. Being a liberal conservative and being a postmodern are, to use Gray's favorite terminology, two incommensurables that cannot be combined. I still fail to understand why Gray has invested so much intellectual energy in trying to disprove this rather commonsensical thought.

NOTES

1. It is symptomatic that in this context Gray mentions a sophist as an alternative to the "Socratic founders" (1989, 258–59). The sophists have recently acquired the position—for many centuries occupied by Socrates, Plato, and Aristotle—of our spiritual fathers, the first thinkers thought to have rebelled against the authoritarianism of classical philosophy. See, for example, Stanley Fish, *Doing What Comes Naturally: Change Rhetoric, and the Practice of Theory in Literary and Legal Studies* (Durham, N.C.: Duke University Press, 1989). This pro-sophist attitude is present also in strictly historical analyses of the sophists' thought. See G. B. Kerferd, *The Sophistic Movement* (Cambridge: Cambridge University Press, 1981), and Jacqueline de Romilly, *Les grans sophistes dans l'Athenes de Pericles* (Paris: Editions de Fallois, 1988).
2. This contrast has, of course, occasioned much comment by the Straussians; see Leo Strauss, *The City and Man* (Chicago: University of Chicago Press, 1978), 50–138, and Allan Bloom, ed. *The Republic of Plato*, 2d ed. (New York: Basic Books, 1991).
3. Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), 309–12.
4. As examples of this, see Zygmunt Bauman, "Strangers: The Social Construction of Universality and Particularity," *Telos* 78 (Winter 1988–89): 7–42, and G. B. Madison, "The Politics of Postmodernity," CRITICAL REVIEW 5, no. 1 (Winter 1991): 53–79.
5. Richard Rorty, "The Priority of Democracy to Philosophy," in M. D. Peterson and R. C. Vaughan, eds., *The Virginia Statute for Religious Freedom* (Cambridge: Cambridge University Press, 1988), 257–84.

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Jacob Segal

A STORM FROM PARADISE: LIBERALISM AND THE PROBLEM OF TIME

The tendency of classical politics to embed the individual in universal and transcendental patterns of action followed in part from the recognition of the futility of unpredictable action oriented to the individual's transient personal future. By contrast, F. A. Hayek argues for liberalism and the rule of law because it is instrumental to the achievement of human ends. Michael Oakeshott, however, claims that freedom is a value in itself, and that liberalism should emphasize moral autonomy because the moral life is public and not oriented to external ends. The moral life intimates a form of self-sufficiency in action, and self-sufficient action is timeless in the sense of being indifferent to either the past or the future. Oakeshott returns liberalism to the problems of classical politics without recourse to the dictatorial imposition of a single substantive good.

> This is how one pictures the angel of history. His face is turned toward the past. Where we perceive a chain of events, he sees one single catastrophe which keeps piling wreckage upon wreckage and hurls it in front of his feet. The angel would like to stay, awaken the dead, and make whole what has been smashed. But a storm is blowing from Paradise; it has got caught in his wings with such violence that the angel can no longer close them. This storm irresistibly propels him into the future to which his back is turned, while the

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CRITICAL REVIEW, Winter 1994. ISSN 0891-3811. © 1994 Critical Review Foundation.

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> pile of debris before him grows skyward. This storm is what we call progress.
>
> —Walter Benjamin
> "IX Thesis on the Philosophy of History"

In classical political thought there was an identity between the individual and the political order. This identity sometimes extended to the universe in the sense that the political order resembled the order of the cosmos. The good life of the individual was correlated with politics, and politics mirrored the purpose of the universe. The best way of life corresponded to a common model of action. These conceptions dissolved with the onset of the modern era and of liberal political thought, for two interrelated reasons. First, the process of disenchantment eliminated the rational certainty of a purposeful universe. Second, the increasing diversification of modern life liberated the idea of the good from the fixed structure of common life. In classical thought, the law represented the highest or best form of life for the individual, but in the political theory of liberalism the law simply creates the necessary conditions (civil order or subsistence) for the individual to pursue his own conception of the good.

The transition from classical to liberal political thought also represents a transformation of the relationship between time and politics. The tradition of classical political philosophy has been interpreted as an attempt to create a timeless order to save human existence and action from its natural transience.[1] Classical thought equated the good with a transcendental or atemporal value that was linked to the permanent structure of political life. Finite existence was infused with the meaning of the eternal or permanent through political forms. The identity of the political with the permanent sprang from the ancient belief in the inherent destructiveness of time. Although time is the dimension of human activity, it was traditionally associated with decay and futility. In traditional thought, meaning must continue to exist through time, and this preservation could only take place in what has been called "political space."[2] Modern consciousness, however, dispenses with the hope of salvaging meaning from the decay of time. The passage of events is construed as a developmental process: progress. Human meaning is contained not within the artificial world of politics that demands

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a specific type of action, but rather within the meaning that arises out of the freely chosen acts of all individuals.

In classical politics, the individual achieved his well-being through participation in the universality (that which is common to everyone) of the political. The universal is timeless in the sense of being constant through time and impervious to change. Through participation in the political, the individual achieved a sort of perfection, that is, a mode of existence that transcended mere temporal sequence through integration into a timeless organization. The timelessness of the political had two sides: first, a permanent social order is continuously restored, and, second, the individual forgoes his personal future for the sake of the permanent interests of the political. Liberalism, on the other hand, sees individual well-being as primarily a function of the development or fulfillment of the particularity (or uniqueness) of the individual, that is, the distinctive achievements of each person in time.[3] Since liberal theory emphasizes the uniqueness and distinctive qualities of the individual, it is resistant to efforts to embed the individual in universal and timeless patterns.

Can the timelessness of classical thought be replicated under modern conditions? Can the "impulse towards atemporality"[4] be continued in the secular and pluralistic order of liberalism? Liberalism rejects the idea that politics should direct individuals toward a common end. Classical liberalism seeks political neutrality through the organization of social order according to the rule of law. The rule of law is abstract, general, and purposeless. It constrains action but never demands specific actions from particular individuals. While the two classical liberals to be discussed here, F. A. Hayek and Michael Oakeshott, share similar conceptions of the rule of law,[5] they differ as to the meaning of such law. Hayek's defense of classical liberalism is modern in the sense that he justifies liberalism as a "progressive civilization" and sees freedom as a second-order good, that is, as a means to social and individual progress. Oakeshott, however, returns liberalism to the problems of classical politics.[6] He shares with classical politics a concern with time and with the need for an element of timelessness or permanence in experience. And he believes that only the law and the public element of action can provide such timelessness. Freedom, for Oakeshott, is a first-order good, an end in itself, which mirrors the value of the moral life. Oakeshott's classical defense of liberalism is

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superior to Hayek's modern defense because it reckons with the limits placed on human experience by temporality, and it provides a stronger internal argument for the value of freedom.

The problem of time is essentially a problem of practical or ends-oriented action. Practical action is present-future action; it is present action that aims at achieving an outcome in the future. Such action, however, is inherently defective because the future constantly recedes. The future invariably eludes the present. One aspect of the problem is the unpredictability of action. The end of an action never realizes the actor's intention since it is always being acted on and transformed by other agents. More important is the futility of the achievement of any end. Any outcome that might accidentally resemble the intention of the actor is transient; every act is caught in what Oakeshott calls the "bondage of contingent circumstances," the temporal prison of ends arising and vanishing one after the other. Max Weber writes of how an orientation to the infinite future corrupts the value of all possible experience: "Civilized man . . . catches only the minute part of what the life of the spirit brings forth ever anew, and what he seizes is always something provisional and not definitive."[7] For Oakeshott, the endlessness of practical action means that the pursuit of external ends is futile:

> Practical activity is an endless battle for noble or for squalid but always for illusory ends, a struggle from which the practical self cannot escape and in which victory is impossible because desire can never be satisfied: every attainment is recognized to be imperfect, and every imperfection has value only as an incipient perfection which is itself an illusion. And even "forgiveness" is only an emblematic break in the chain of the fatality of doing; every action, even those that are forgotten, is irreparable.[8]

Classical and modern thought contend with the problem of action differently. Classical thought trained the individual in a single pattern of action that transcended personal and external interest. Through this collective action, the individual participated in something universal and permanent. The political was more important than the particular individual since it was lasting.[9] It represented the "continual present," that is, a type of experience in which the individual is indifferent to his practical future. The continual present, or "standing now," in classical thought intimated the eter-

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nal moment of the deity who existed apart from the temporal continuum of past, present, and future. The modern counterpart to political space is process, a system of the unique actions of interactive agents that produces an unintended order. Here the distance between intention and end is reconciled by the unplanned order of unintended ends. History is the process of processes, the entire sum of all social action. Progress is a particular interpretation of history, the belief in the continuous moral and material improvement of the individual and the species. One contrast between classical and liberal thought is between the present orientation of politics and the future orientation of process.[10]

In the Hayekian tradition of classical liberalism, the idea of process takes over the whole of social life in the model of market society. Social life is understood as the interaction of autonomous agents each seeking the attainment of private ends. Personal reward and the social hierarchy are correlated to the results of market exchanges; the worth of action pertains to the value others ascribe to it. A market society is efficient in the sense that it satisfies wants to the optimal degree possible (relative to other possible social orders). Further, all agents are linked together through the complementary nature of their pursuits; one produces what the other consumes. However, both the efficiency and the interdependence fostered by the market are unintended consequences. The efficiency of a market society does not lie in the planned fulfillment of desires; rather, it is a consequence of each person pursuing her own particular ends. The mutuality of the market is likewise a by-product of action oriented to the ends of actors.

While market society is efficient and interdependent, it is not harmonious. In the classical liberal understanding of market society, the rule of law limits conflicts and antagonisms. The fundamental trait of the rule of law is that it is purposeless; its generality and abstractness secure the functioning of market processes and, therefore, negative freedom. For the classical liberal, any substantive state action, that is to say, any command that forces a particular person to take a particular action, denies his free agency. The state should not reorder any aspect of social life since any such result would be arbitrary, as it would not follow from the only "objective" criterion possible, namely, that constituted by the innumerable choices all individuals make in the daily course of their lives.

The value of an action in market society is measured by what

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others will pay for its product. Hayek defends freedom in terms of the achievements of ends, but this worth is tautologically equivalent to the outcomes of market processes. In classical political theory, on the other hand, the highest type or form of action was associated with the political order. For Oakeshott, it is the noninstrumental, moral aspect of action that mirrors the purposeless structure of the rule of law. This is the central distinction between Oakeshott and Hayek. For Hayek, the rule of law and the principles it embodies are instrumental to the achievement of ends. In Oakeshott, the real worth of freedom is the moral dignity of acting, without regard to external success or failure. Morality represents self-sufficiency in action. Self-sufficient action is action where the ends and means are combined. The significance of this action is realized in its performance, independent of the future. Self-sufficient action is present oriented because, without an external end, the actor is unconcerned with the future consequences of the action. Oakeshott's liberal vision, by emphasizing the most durable and self-sufficient element in action, returns to the classical interest in atemporality.

The first section of this essay tells a certain story of the role of time in Western consciousness. It is not a comprehensive overview of time and Western thought. Rather, it uses significant writings on this topic to introduce the comparison of Hayek and Oakeshott. I identify three moments in the changing relationship between time and politics. For purposes of shorthand, all three moments are linked with the tradition of classical politics. Their conceptual unity lies in the identification of the well-being of the individual with the political through the imposition of the permanent meaning of the universal on all particularity. The first classical moment is the experience of so-called ancient man in the civilizations of Egypt and Mesopotamia. Ancient man, existing prior to philosophy, explained experience through "mythical thought" and understood time as cyclical. The collapse of those civilizations is followed by the second classical moment, the birth of political philosophy in Plato. The Platonic perspective, for the purposes of this paper, extends to cover the Middle Ages. Medieval and Platonic thought shared a belief in an eternal order in which both the political and the individual had a proper place. Where Plato described a rational political organization, medieval Christendom invested the church with political meaning.[11] The church was a permanent institution

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(until the end of time) that embodied the concept of eternity in its doctrines and practices. The third and final classical moment is the tradition of civic humanism, which arose with the crisis of "Christian universality."[12] Civil humanism sought to restore universality through political action, without reference to an eternal order.

The next two sections examine liberal alternatives to the classical perspective. Hayek's classical liberal defense of a market society supplants the traditional orientation to the present with a future-oriented defense of a progressive society. This argument will be found to be defective in its understanding of man's temporality and as a defense of negative freedom. The third section explains how Oakeshott's work provides a more coherent understanding of the value of freedom and the rule of law. In the fourth and last section, I place this argument in the context of the debate over modernity.

Time and Politics

Time is a construct of thought that orders the experience of change. It first arose in Western consciousness with the perception of the future; the conceptualization of the distance between desire and satisfaction brought with it the separation between the present and the future.[13] Following this melancholy realization, the ancient civilizations of Egypt and Mesopotamia sublimated the awareness of linear time by conceptualizing time as cyclical. Ancient mythology denied the reality of the unique events that constitute linear time in favor of "repetition and simultaneity."[14]

One form of cyclical time involved the idea of "archetypes," whereby the individual relived the acts of heroes and gods and was transported back to the origins of these acts in mythical time. Only ritualistic reenactments of the archetypes were real events. Nonritual acts had no significance. The individual had no distinct consciousness because all of his memorable acts were purely public, that is, ritualistic. Another form of cyclical time was the annual "regeneration of time," whereby a ritual reenacted the Creation, thus "abolishing past time" and beginning the cosmos anew.[15] No matter how a view of cyclical time was expressed, it denied the importance and even the existence of either a personal life story or a linear cultural history. Ancient man existed entirely within the "womb"[16] of mythic existence and therefore denied the self: "The

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hallmark of existence under the form of the integral myth was the sublimation of all action in archetypal patterns and the externalization of the self in the order of society; that is, the obliteration of unique experience that produces the sense of time."[17]

With the collapse of the ancient civilizations, human beings endured the separation of the distinct self and the "plunge into the abyss of historical time."[18] John Gunnell has described the original impulse of political philosophy as the attempt to regain the lost timelessness of the ancient myth. Plato attempted to remake the timeless paradigm while taking into consideration the existence of the separate and self-conscious self. Timelessness is sought through political forms, such as the law, instead of through mythical ones. The political order imagined in Plato's *The Laws* "will take its name not from a class of men but from a god, 'the god who is the master of rational men', that is, the law. The path to stability and due proportion in human affairs is to follow the divine measure or god which is manifest in the cosmos; the integral myth contained a truth which is now rediscovered and consciously applied."[19] What was central for Plato was to invest human time with the meaning of the eternal order; "by building the order of the cosmos into the order of the state, political time and political space are assimilated to cosmic time and cosmic space."[20] For Gunnell, political philosophy before the eighteenth century repeats the project of imposing order and permanence in political space against the transitoriness of life in society.

The mythical system obviated the significance of individual and distinctive action. Plato retained the notion of an atemporal value that redeems human action, but he sought to make this value a reflective part of human experience through philosophy. This project continued in the Middle Ages through the permanent institution of the Church, which represented the eternal order of Christian theology. The suppression of time in favor of the transcendent was abandoned, however, with the development of the early modern ideology of civic humanism. According to J.G.A. Pocock, the civic humanist understood man as finding his true end in political activity through the exercise of public virtue. Each individual found his highest fulfillment in the action that supported the stability of the republic. The common interest took priority over private concerns. Political action was universal because it concerned all members of the republic and made possible all particular ends.

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Civic humanism was a response to the decay of Christian universality. The stability of the political order was achieved through the universality of political action rather than through the universality of the eternal order. The republic was a political organization in time with a past and present. Platonic and medieval thought had discovered the universal in something beyond human time; for the civic humanists, however, the point was "to realise a universality of virtue within a particular, and therefore finite and mortal, political form."[21] The goal of political activity was the continuous restoration of human order against the ravages of history.

The modern aspect of civic humanism lay in its historicism: the drama of human activity took place at a particular point in time. However, civic humanism was an extension of classical politics because it sought to arrest time in a "finite historical frame of action."[22] Pocock notes that civic humanism paradoxically "defined government as modern in the act of rebelling against its modernity":[23] modernity moves always toward a greater diversity of ends, yet civic humanism wished to freeze history and thus needed a single end to supersede the ends of each individual. At the conclusion of *The Machiavellian Moment*, Pocock argues that the rigor of civic humanism was contrary to the modernizing impulse and therefore doomed to decay:

> In the final analysis, the ideal of virtue is highly compulsive; it demands of the individual, under the threat of his moral being, that he participate in the *res publica*. . . . We have found areas of eighteenth-century thought in which the partial withdrawal from citizenship to pursue commerce appeared as a rebellion against virtue and its repressive demands; the republic asked too much of the individual in the form of austerity and autonomy, participation and virtue, and the diversification of life by commerce . . . [was seen as] a choice worth paying for with a little corruption.[24]

By abandoning the hope of transcendental value, civic humanists bequeathed to their liberal successors the problem that their substitute for transcendence, the single substantive common good of political action, contradicts the diversification of ends that is central to modern life. In arguing for commerce and pluralism, classical liberalism must rebel against the "continual present" of political space.

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Hayek, Market Society, and Freedom

Contemporary critics of liberalism often point to the lack of a common good as a sign of liberal theory's lack of interest in solidarity or community. However, classical politics was preoccupied not with community but with the need for self-sufficiency in experience. Indeed, as Hannah Arendt teaches, the competitive life of political activity constituted the Athenian solution to the problem of time.[25] The flaw in much liberal theory is its inattention to the traditional concern with time. Instead of attempting to stabilize meaning outside of time, liberalism places its hope in the idea of progress, the development of the individual or society through an adding-up of particulars. Sophisticated contemporary versions of the story of progress—such as the one found in Richard Rorty's work—seek to tie past, present, and future together in the form of a story or narrative.[26] But in all cases, the story is projected into the future. Both past and present activities are to be vindicated in future accomplishment. While classical politics sought to suppress time in political space, liberalism seeks meaning within time itself: "Man's home [is] no longer political space, but society's temporal career."[27]

The importance of progress in classical liberal thought is clearly visible in Hayek's work. Hayek rejects any appeal to a transcendental value or to a model of "natural man" existing apart from historical circumstances. Instead, Hayek's political theory is a defense and explication of the conditions of personal liberty. His conception of freedom is negative; freedom means that one is not used as a means for another's ends. The best method of securing freedom is through the rule of law. When the state is limited to general and abstract laws, it minimizes to the greatest degree the likelihood that any individual will be used as a means by another person or by the state. General laws never demand specific acts, but merely state the terms of all possible conduct. They open up a range of possibilities without insisting on particular ends. Further, the rule of law means that the state itself pursues no end. General laws are always stated in advance and apply to no one in particular; as such, they have nothing to do with any particular and contingent interests that the state might have. Once the state is in this way prohibited from pursuing specific ends, it is effectively debarred from using people as means. To redistribute wealth so as to achieve some measure of

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equality, for instance, would clearly contradict the noninstrumental quality of the rule of law and, consequently, would use some individuals for the ends of others.

The oddity of Hayek's system is that while its intent is to maximize liberty, liberty itself is not its ultimate value. Hayek argues for freedom because it is a means for the achievement of individual ends. We do not value liberty for its intrinsic qualities but for what it leads to: "Liberty is essential in order to leave room for the unforeseeable and unpredictable; we want it because we have learned to expect from it the opportunity of realizing many of our ends."[28] Although Hayek sometimes suggests that freedom has intrinsic value, most commentators agree that his argument is "consequentialist": freedom is valuable because we achieve our purposes through it.[29] Hayek states that the rule of law is timeless, which is to say that it transcends the particular purposes of any given legislator or judges. However, the justification for Hayek's system requires a very different temporal orientation. To focus on ends leads to a future orientation. The point of freedom is "the living in and for the future."[30]

Liberalism is the most effective political order for maximizing the achievement of individual ends. Only by allowing the free pursuit of individual ends can general knowledge be put to the efficient service of those ends. Since knowledge and talents are diffused throughout society, their maximal use is achieved only by the unplanned interaction of all social actors. By virtue of its tendency to marshal resources to the attainment of individual ends, liberalism makes for a "progressive civilization." Achieving ends is valuable because it is a "process of formation and modification of the human intellect, a process of adaptation and learning."[31] Although Hayek sees material improvement as a major advantage of liberalism, progress is not valuable because it leads to happiness in the sense of making life more comfortable. Progress involves constant changes, and Hayek admits that while change might increase happiness it might "also [make] us sadder men."[32] Progress is "movement for movement's sake," which is ultimately justified not by any increase in happiness but rather by the process of learning, since "it is in the process of learning, and in the effects of having learned something new, that man enjoys the gift of his intelligence."[33]

The intuitive view that reward ought to correspond to merit is

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inconsistent with the efficient functioning of market society. The problem is that merit is a purely subjective category, adhering to such publicly unknowable qualities as personal self-understanding. Any attempt to reward effort based on it would require the imposition of an arbitrary standard. In fact, Hayek admits that many admirable personal qualities, such as wit, intelligence, and good looks are determined by birth and do not confer "moral merit."[34] Society lacks the knowledge to adequately judge the real merit of action. Because of the ambiguous nature of merit, Hayek opts for value as the true standard of achievement. By "value" Hayek clearly means "exchange value," that is, the worth of activities to others based on market relations.

For many, this argument contradicts a common moral intuition that social reward should correspond to effort or intrinsic value. Another objection, however, concerns the relationship of exchange value with the problem of time. Whereas classical politics sought to orient action toward participation in a transcendental or public realm of moral meaning, market society valorizes action within the unplanned realm of exchanges. Market outcomes, however, are entirely transitory. What is valuable in today's market is worthless in tomorrow's. Indeed, the transitory nature of market outcomes is their greatest advantage in terms of economic efficiency. The ability to integrate changes in consumer choices immediately is what makes the market superior to a planned economy. But to ground the value of the individual on transitory market outcomes is to preclude any sense of permanence or abiding meaning from adhering to his actions. While classical politics responded to time with enmity, market society makes transience an ally.

A second problem concerns the perspective from which the progress of a society is judged.[35] Freedom is valuable due to the learning that follows from achievement. However, Hayek notes that a progressive society "creates" the desire for material improvement and achievement for their own sake. In this sense, the benefits of liberalism are clear from the viewpoint of the observer or the "philosopher," who shows how the unplanned interaction of all social agents rewards everyone over time. However, these benefits are not always apparent from the point of view of the agents themselves. While liberalism improves the social condition of everyone, in the sense that the achievements of the best off tend to make life better for the worst off (unintentionally meeting the demands of

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the Rawlsian difference principle), this improvement is seen only upon considering the entire system of social action. The condition of the worst off may improve in absolute terms but decline in relative terms. Indeed, Hayek suggests that the condition of the best off may well be vastly superior to that of the mass of individuals, and, therefore, that the progress of liberal civilization may cause a unique kind of suffering. Liberal society creates a desire to achieve, but most will feel they have achieved less than the best off:

> Most of what we strive for are things we want because others already have them. Yet a progressive society, while it relies on this process of learning and imitation, recognizes the desire it creates only as a spur to further effort. It does not guarantee the results to everyone. It disregards the pain of unfulfilled desire aroused by example of others. It appears cruel because it increases its gifts to some. Yet so long as it remains a progressive society, some must lead, and the rest must follow.[36]

While one must admire Hayek's honesty, his consequentialist defense of freedom poses problems for the rule of law. Freedom is valued because it leads to personal achievement. But the dynamic of the system leaves the average individual constantly disadvantaged (relatively speaking). Although liberalism motivates the individual to enjoy freedom through the achievement of ends, the system is such that achievement is unequally distributed. Inasmuch as the average individual prizes freedom only as a means to the satisfaction of ends, he might want to forgo freedom in order to achieve ends through state action. In other words, we might calculate that an interventionist state is more advantageous than the purposeless state of the rule of law. One might argue that paternalistic state action will reduce the opportunities for learning, since learning accrues to the actor simply because he acts on his own initiative. Still, Hayek appears to tie "learning" to actual achievement, not to action itself. Further, Hayek recognizes that the idea of progress creates the problem of emulation. Once the emphasis is placed on the achievement of ends, the individual will be tempted to seek the aid of the state to rectify inequalities in achievement. The emulative impulse is linked to a progressive society, and this impulse is destructive to the rule of law if only because most misunderstand the true meaning of freedom.

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Oakeshott, Time, and the Meaning of Freedom

Whether in Plato's appeal to the rational element in the soul or the civic humanists' inculcation of virtue, classical political thought posited higher purposes for the individual than the achievement of his chosen goals. Insofar as these purposes transcend one's future, they can be seen as being present oriented. Oakeshott returns to the tradition of seeking out a presentness in action. However, because he rejects transcendental or substantive common values, his concern with presentness has different implications than did that of classical thinkers. Oakeshott is led to a vision of a noninstrumental personality. This character does not find meaning in a common pattern of action. Yet her primary concern is not, as in Hayek, with her external interests. A noninstrumental individual cares primarily for the moral character that is enacted while pursuing practical or external ends. What is central to this person is the public (present-oriented) concern of the moral life.

In one of his early writings, Oakeshott notes the defective nature of action that is oriented to the future: "The future is the Moloch to which the present is sacrificed, and the life which leaves behind it actual accomplishment is valued more highly than that which strove to be its own achievement."[37] Oakeshott's work can be understood as the unfolding of the idea of how to live a life that is its own achievement.[38] While Hayek affirms living in the future, Oakeshott argues that one must escape the "withering hand" of the future. This is so because "to live for the future is certainly vain."[39]

In his first major work, *Experience and Its Modes*,[40] Oakeshott writes that the central fact of practical experience is change or the transience of human meaning. He identifies practical experience as movement between the world of "what is" and that of "what ought to be," the worlds of fact and value. The "self" of practical experience ceaselessly attempts to transform the world of fact into that of value. However, this enterprise is futile because whenever what is becomes what ought to be, another world of value springs up. "Permanent dissatisfaction" is inherent in practical experience, since there is always a division between the worlds of fact and value. This division is also the separation between the present and future: "Practice purports to throw reality into the future, into something new and to be made, only to discover that this also is a contradiction of the character of experience."[41]

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Later, in "The Voice of Poetry in the Conversation of Mankind" in *Rationalism in Politics*, Oakeshott further develops his understanding of practical experience, now named practical activity. Practice is divided into two realms: "the world *sub specie voluntatis*" and "the world *sub specie moris*." The former concerns "desire" and "aversion." The self recognizes another self "only in respect of the use that may be made of it." Relations are purely instrumental; practice here is "an unavoidable *bellum omnium contra omnes*." However, practical activity also has a Kantian element, "*sub specie moris*," that is, practice considered as moral conduct. Here the practical self undertakes a "genuine and unqualified recognition of other selves. All other selves are acknowledged to be ends and not merely means to our own ends."[42]

In contrast to practical activity, aesthetic activity does not concern ends at all, but rather is intrinsically delightful. Aesthetic activity is self-sufficient since it is "contemplative" and does not have any "premeditated end." While in practical activity each end is "impermanent because it is always a temporary resting place in a necessarily endless process which is concluded only in death," aesthetic activity has an element of permanence because "contemplation does not use or use-up or wear-out its images or induce change in them: it rests in them, looking neither backwards nor forwards. . . . It is permanent merely because change and destruction are not potential in it."[43] Aesthetic activity is released from the deadly movement of practical end to practical end; it is a "wild flower planted among our wheat." However, practical action, when understood in terms of *sub specie moris*, also partakes of the permanence of art. Oakeshott writes that "moral goodness" is "self sufficient," for "each engagement is independent of what went before and of what may come after" and "success is entirely independent of 'usefulness' or external achievement."[44]

This point is fully developed in Oakeshott's central work, *On Human Conduct*. Once again he rehearses the limits of action performed in time when it is aimed at "substantive outcomes":

> Every action is a fugitive transaction between mortal agents, its outcome not merely uncertain but fragile and soon dissipated. Every satisfaction is casual and late or soon a casualty. Where conduct is the choice and pursuit of substantive conditions of things every achievement is evanescent and (as Augustine says) he who thinks

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> otherwise "understands neither what he seeks nor what he is who seeks it." And no projected future can be any different from the present in this respect.[45]

Much of *On Human Conduct* is intended to distinguish the instrumental from the moral element of action, of which the latter is less prone to the disintegration of time. Action is free in the sense that it is an expression of intelligence. "Agency" lies in the understanding of a situation and the deliberate attempt to rectify what is lacking in it. But action is not limited purely to the pursuit of a substantive end; it is also constrained by considerations of a moral practice. A practice is "a set of considerations, manners, uses, observances, customs, standards, canons, maxims, principles, rules, and offices."[46] A practice does not direct action but rather constrains it according to general principles. A practice supplies the limits of possible action but does not mandate which actions to take, just as a language supplies grammar and vocabulary but does not direct individual speech acts. Although there are "instrumental practices" that constrain action to further the pursuit of an end (the rules of a firehouse, for example), Oakeshott's main concern is with moral practices that constrain action not to promote the attainment of a particular end, but to encourage just behavior. Importantly, Oakeshott does not believe that the public and private domains are independent of each other. All action is private insofar as it aims at a substantive end and public insofar as it is qualified by a moral practice.

Besides an end and a practice, conduct has two more conditions: "self-disclosure" and "self-enactment." Self-disclosure is outward activity in the world. Self-enactment concerns the self-awareness of the actor, not the outward display. Action can now be divided into the following four elements. A self discloses itself in terms of a substantive end and subscription to a practice. A self enacts itself, too, in relation to an end and a practice. For example, when a person sells a car she discloses herself through trying to make the best deal. She also discloses herself through subscription (or nonsubscription) to the practices of selling honestly, although such considerations do not help her conclude a successful deal. Further, she enacts herself in terms of pursuing the end; in this case she sells the car because she wants a profit. This is the intention of the actor. Finally, she enacts herself through the reason she subscribed to the practice of selling

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honestly, such as the fear of punishment, or the desire to think of herself as an honest person. This is the motive of the act.

Self-disclosure in terms of an end is limited on all sides by time; it is most subject to the dilemmas of action:

> Self-disclosure is in transaction with others and it is a hazardous adventure; it is immersed in contingency, it is interminable, and it is liable to frustration, disappointment, and defeat. . . . [An act] becoming a performance . . . falls into the hands of other optative agents who may defeat it and will certainly compromise it. And even if what survives bears some relation to the meaning of the act, it may disappoint and it will certainly reveal itself as but another situation to be diagnosed and responded to. Here, even the excellences of things are their undoing.[47]

However, when the consideration is the intention of the actor, that is, when the concern is what he wants, not the actual attempt to get it, then the fragile nature of the pursuit of ends is diminished: "An agent in respect of what he means to do is invulnerable."

What is most important to Oakeshott is how a moral practice, both self-enactment and self-disclosure, slows down the "rot of time" and provides the self with a more meaningful experience. In terms of self-disclosure, Oakeshott writes:

> A moral practice, in providing conditions for acting, provides . . . some slight relief from conduct as an endless succession of mere adventures in self-disclosure. . . . In stipulating general conditions for choosing less incidental than the choices themselves, in establishing relationships more durable than those which emerge and melt away in transactions to satisfy a succession of contingent wants . . . it may be said to endow human conduct with a formality in which its contingency is somewhat abated.[48]

The highest element of action is self-enactment in terms of a moral practice. This refers to the feelings of shame or pride that motivate the self to subscribe to moral considerations. This aspect of action maintains the greatest distance from the externality and transitoriness of success or failure. In no way does the dignity attached to the motive of action depend on what happens in the world. The moral life, both in self-disclosure and self-enactment, is experience that intimates, but cannot finally achieve, the perfection and timelessness found in the mythic reenactment of the deeds of gods or the civic

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humanist notion of public virtue. Moral concerns are universal since they are common to everyone, and self-sufficient because they are not dependent on outcomes in the future.

In the second essay of *On Human Conduct*, Oakeshott describes a political union known as a "civil association" that mirrors the noninstrumental character of a moral practice. A civil association is joined by *lex*, formal law that constrains acts by imposing moral practices on them without mandating their ends. *Lex* is similar but not identical to Hayek's general and abstract laws. *Lex* neither demands nor forbids specific actions; it merely states the conditions of action. Any time a law becomes a "command" and specifies a particular act by a particular person, it contradicts what is meant by the rule of law. Oakeshott has argued that the criminal law does not forbid acts but only applies "adverbial conditions" to them. Thus, the law forbids not the act of murder, but killing murderously. Subscription to *lex* means that the actor constrains his actions in a certain manner, but he can do so in a variety of fashions. Freedom rests not in the silence of the law, but in the law's formality.

Lex is purely noninstrumental, for a civil association is not justified by any outcome. Oakeshott distinguishes the historical understanding of a state as a civil association (*societas*) from one identified as an enterprise association (*universitas*). An enterprise association, such as a firehouse, is united by a substantive purpose, a common good; the rationale of this association is entirely dependent on the objective of putting out fires. In an enterprise association, all choices should be conducive to the common good. However, a true enterprise association implies the freedom of entry and departure. A person enters an enterprise association because he wishes to further the pursuit of a specific end. Oakeshott's main polemical point is that a state cannot have particular purposes because as a comprehensive and compulsory association it denies the postulates of free entry and departure of an enterprise association. Unlike an enterprise association, a civil association is purposeless (because it binds people through a moral practice that demands no particular substantive action) and does not impose any goal on the individual.

Unlike Hayek, Oakeshott does not defend liberalism as a progressive ideology. Oakeshott leaves aside outcomes altogether. His defense of freedom grows out of a contrast between two kinds of personality. The first is "a disposition to be 'self-employed' in which a man recognizes himself and all others in terms of self-

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determination; that is, in terms of wants rather than slippery satisfactions and of adventures rather than uncertain outcomes. This is a disposition to prefer the road to the inn, ambulatory conversation to deliberation about means for achieving ends, the rules of the road to directions about how to reach a destination."[49] This personality or character type is contrasted with another who tends to identify himself "as a partner with others in a common enterprise and as a sharer in a common stock of resources and a common stock of talents with which to exploit it. . . . In this self-identification outcomes are preferred to adventures, and satisfactions to wants."[50]

Civil association is clearly the appropriate home for a person with the first character. Not only would he be less likely to call upon the state for substantive goods (because he recognizes the limitations of all substantive ends, both personal and collective), but he also recognizes the inherent benefit of subscription to non-instrumental practices. The second type of person, purposeful and concerned with getting what he wants, is more likely to accept government intervention. This character encompasses not only socialists or social democrats, but also entrepreneurs: one who is primarily oriented toward ends will be inclined to break down the integrity of *lex* when doing so assists in the pursuit of her ends.

Oakeshott hopes to separate the defense of liberalism from all purposefulness. He rejects the argument that the liberal order is desirable because it promotes peace or prosperity, even though it may well do so. Rather, the real benefit of liberalism lies in the perpetually renewed reward of action itself, the activity and not the outcome. To seek the inner spirit of liberalism one must consider the "historic disposition to transform this unsought 'freedom' of conduct from a postulate into an experience and to make it yield a satisfaction of its own, independent of the chancy and intermittent satisfaction of chosen actions . . . the disposition to recognize imagining, deliberating, wanting, choosing, and acting not as costs incurred in seeking enjoyments but as themselves enjoyments, the exercise of a gratifying self-determination or personal autonomy."[51]

Albert Hirschman has discussed how the intellectuals of early modern Europe believed that the commercially stimulated "interests" could contain the problem of human passions that had formerly been controlled by feudal ethics. Hirschman argues that the idea of interest eventually became limited to material advantage

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even though earlier it had had a much broader definition: "When the term 'interest' in the sense of concerns, aspirations, and advantage gained currency in Western Europe during the late sixteenth century, its meaning was by no means limited to the material aspects of a person's welfare; rather, it comprised the totality of human aspirations, but denoted an element of reflection and calculation with respect to the manner in which these aspirations were to be pursued."[52] Oakeshott similarly argues that our interests should have a broader meaning, and that the benefits of civil association are misunderstood if they are reduced to material concerns. Oakeshott, however, separates two elements of rationality—reflection and calculation—which Hirschman conflates. All action involves reflection, but this rationality need not involve the instrumental calculating of means to ends; it can involve noninstrumental, self-regarding reflection on one's intentions, motives, and external subscription to the formal rules of moral conduct.

When freedom is justified in these terms, inequality of outcome becomes unimportant, since the dignity of action is not diminished by relative status. Moreover, the meaning of action is not dependent on the flux of market outcomes. The individual looks inward, as it were, through an "encounter with himself,[53] in order to understand the vital meaning of action. Although the meaning of the moral life must eventually dissipate (because it is tied to the fatality of pursuing ends), it has a greater longevity than the meaning that follows from the market. Oakeshott therefore prefers merit to value as a criterion for judging action. Merit here is the formal concern of moral considerations that follow introspection. This merit does not correspond to any substantive outcome or pattern of distribution.

Oakeshott does not present moral autonomy as a solution to the problem of time. Underlying his work is an irreducible pessimism about the significance of practical action given the pervasiveness of change. Morality constitutes a way to "abate" contingency, which is the most that can be asked by individuals who wish to turn the burden of freedom into a benefit. Like the theorists of classical politics, Oakeshott believes that the well-being of the individual is tied to what is public. The self for Oakeshott is activity; the most common form, practical activity, gains some permanence through the publicness of the moral life. His noninstrumental self is public-minded if not public-spirited. But the moral life cannot preserve

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for long the fruits and outcomes of human action. The futility of a future orientation can never be overcome. Oakeshott's melancholy is beautifully evoked in the last words of *Experience and Its Modes*, where the "abstraction" of practical activity is compared with philosophy, which seeks "unlimited experience": "No matter how far we go with . . . [philosophy], we shall not easily forget the sweet delight which lies in the empty kisses of abstraction. . . . For, if these give but little satisfaction, and give that little not for long, it is at least a tangible and certain satisfaction while it lasts and one not to be despised."[54]

Liberalism, Time, and Modernity

The solution of classical politics to the futility of action performed in time lay in restricting opportunities for action by demanding that the best life be contained within the political. As classical liberalism accepts diversity and autonomy as givens, this solution is not applicable. Oakeshott's political theory seeks a timeless paradigm within the scope of liberal presuppositions. His disagreement with Hayek is not so much over their preferred institutions, but their distinct understandings of the value of freedom.

The two theorists' views of freedom correspond to two versions of the history of the emergence of liberalism. On the one hand, liberalism has been traced to the revolt of the bourgeoisie against the restricted "moral" economy of medievalism.[55] The point was to unleash the potentialities of modern science and technology through individual initiative and individual control. The motive for the transition from a closed and hierarchical society to the openness and mobility of market society was, in this view, primarily economic.[56] Happiness, however broadly defined, was the implicit goal. Another view, however, is that prior to any material concern, the "ultimate foundation" of liberalism was "spiritual," namely, the value of liberty as the "consciousness of oneself, one's own infinite spiritual value."[57] This impulse first appeared in the Reformation: "No yearnings after external goods, but the love of that which is good in itself, drives the Protestants to their struggle against the church and her secular arm."[58] Protestantism affirmed the importance of the inner freedom of faith. It rejected the consequentialist doctrine of works and focused on what the individual knew in her heart. Faith was an end in

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itself and therefore asked nothing of the world. Like Oakeshott's concept of moral autonomy, faith attaches itself to every act but does not demand a particular vocation or way of life. A man of faith has a certain dignity, an attitude which is compatible with any number of activities. Furthermore, faith makes eternity an aspect of every finite moment. Although the dignity Oakeshott sees in the moral life is detached from the intimation of the hereafter, it still constitutes an inner motivation and an outer formal allegiance to principles and, as such, is a countervailing force against the futile pursuit of external purposes.

For Oakeshott, freedom and the liberal order cannot be given a secure foundation if they are justified in terms of consequences or external reward. His criticism of modern politics is sweeping. Both the right and the left view social life as an enterprise; market society and the welfare state are two sides of the same coin.[59] Yet Oakeshott's version of liberalism does not require any fundamental restructuring of Hayek's classical liberalism. Rather, it requires a different understanding of the value of freedom. Oakeshott rejects the need for the idea of progress to provide meaning for the empty time of modern historical consciousness. It is not development over time which is paramount but the static quality of dignity.

Arguments against progress have proliferated in the twentieth century. However, the "popular revolt against the idea of progress"[60] has typically been part of a revolt against liberalism. My argument is that progress itself is an illiberal idea. In her lectures on Kant, Arendt argued that "it is against human dignity to believe in progress" because "man's dignity demands that he be seen (every single one of us) in his particularity."[61] Progress emphasizes the sequence of generations rather than the present one, while liberalism insists on the value of each person. Liberalism emphasizes the importance of earthly experience, while progress demeans the value of actual existence by stressing the priority of the mythical future. The revolt against progress should be seen as a defense of liberal principles and the modern experience.

Hans Blumenberg has described the fundamental interest of modernity as human "self-assertion," the "existential program, according to which man posits his existence in a historical situation and indicates to himself how he is going to deal with the reality surrounding him and what use he will make of the possibilities that are open to him."[62] This program contradicts the premodern belief that

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our function and happiness reside in our participation in the rational cosmos. A variant of the latter idea was the Epicurean belief that our quest for happiness was attainable through retirement from purposeful struggle in the world. Human existence was supposed to mirror the lives of the gods who, existing in the empty space between a plurality of worlds, were indifferent to the ways of man. Living as we do in the world, we could never reach the perfect happiness of the gods who were never threatened by accident or frustration, but we should nonetheless seek out possible imitations of this worldlessness.

Premodern thought suggests a disbelief in the meaning of human action and a consequent endorsement of substantive reason which imposes transcendental meaning on temporal events. Modern thought affirms the worth of action on its own terms, an affirmation that leads to an emphasis on practical power and a belief in progress. Perhaps Oakeshott's liberal idea of moral autonomy offers a compromise: a form of this-worldly and common experience that expresses the most durable value of freedom.[63] A conception of freedom that emphasizes the moral life is a self-limiting form of self-assertion, one appropriate to our finitude amid infinity, that is, our "littleness" as well as our "importance" to ourselves.[64]

NOTES

1. The source of this framework is John Gunnell, *Political Philosophy and Time* (Chicago: University of Chicago Press, 1987); J.G.A. Pocock, *The Machiavellian Moment* (Princeton: Princeton University Press, 1975); and idem, *Politics, Language, and Time* (Chicago: University of Chicago Press, 1989). My use of these works is limited to following a certain way of thinking about the meaning of the political and its relationship to time.
2. Gunnell, 240–41.
3. See James L. Wiser, "The Structured Soul and the Open Self: A Classical Critique of Liberal Man," in Michael J. Gargas McGrath, ed., *Liberalism and the Modern State* (New York: Marcel Dekker, 1978).
4. Gunnell, 15.
5. See D. Neil MacCormick, "Spontaneous Order and the Rule of Law: Some Problems," *Ratio Juris* no. 1 (March 1989): 41–54, for a comparison of Hayek with Oakeshott on the rule of law.
6. Traditional scholarship usually identified Oakeshott as a conservative and a critic of liberalism; see Charles Covell, *The Redefinition of Conservatism: Politics and Doctrine* (New York: St. Martin's Press, 1986), and Kirk Koerner,

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Liberalism and Its Critics (New York: St. Martin's Press, 1985). I agree, however, with the view that links Oakeshott with liberalism or classical liberalism; see Jeremy Rayner, "The Legend of Oakeshott's Conservatism," *Canadian Journal of Political Science* 18 (June 1985): 313–38; Wendell John Coats, Jr., "Michael Oakeshott as Liberal Theorist," *Canadian Journal of Political Science* 18 (December 1985): 773–87; Michael Williams, "Liberalism and Two Conceptions of the State," in Douglas Maclean and Claudia Mills, eds., *Liberalism Reconsidered* (Totowa, N.J.: Rowman and Allenheld, 1983); and esp. Paul Franco, *The Political Philosophy of Michael Oakeshott* (New Haven: Yale University Press, 1991).

7. Max Weber, "Science as a Vocation" in H. H. Gerth and C. Wright Mills, eds., *From Max Weber* (New York: Oxford University Press, 1958), 140.
8. Michael Oakeshott, "The Voice of Poetry in the Conversation of Mankind," in idem, *Rationalism in Politics and Other Essays* (Indianapolis: Liberty Press, 1991), 540.
9. Hannah Arendt writes, "The main characteristic of the common with respect to the individuals who share it is that it is much more permanent than the life of any one individual" ("Public Right and Private Interests," in Michael Stuber and Florian Mooney, eds., *Small Comforts for Hard Times* [New York: Columbia University Press, 1977]), 105.
10. See Christian Meier, *The Greek Discovery of Politics* (Cambridge, Mass: Harvard University Press, 1990), Part III, "The Political and Time: The Political World of the Greeks and Its Capacity for Change," for a discussion of this contrast between ancient Greek democracy and modern thought.
11. Sheldon S. Wolin, *Politics and Vision* (London: George Allen & Unwin, 1961), 95–140.
12. Gunnell, 9.
13. G. J. Whitrow, *The Natural Philosophy of Time* (London: Thomas Nelson and Sons, 1960), 51–53.
14. Ibid., 55.
15. See Mircea Eliade, *The Myth of the Eternal Return* (Princeton: Princeton University Press, 1954), for an excellent discussion of cyclical time in its various modes. See also the essays in Joseph Campbell, ed., *Man in Time: Papers from the Eranos Yearbooks* (Princeton: Princeton University Press for Bollingen Foundation, New York, 1983).
16. Gunnell, 46.
17. Ibid., 220.
18. Ibid., 49.
19. Ibid., 194.
20. Ibid., 193.
21. J.G.A. Pocock, "Civic Humanism and Its Role in Anglo-American Thought," in *Politics, Language, and Time*, 99.
22. Pocock, *The Machiavellian Moment*, 552.
23. Ibid., 330.

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24. Ibid., 551–52.
25. Hannah Arendt, *The Human Condition* (Chicago: University of Chicago Press, 1958), Part II.
26. Richard Rorty, *Contingency, Irony and Solidarity* (Cambridge: Cambridge University Press, 1989), ch. 2, and idem, "Freud and Moral Reflection," in idem, *Essays on Heidegger and Others: Philosophical Papers*, vol. 2 (Cambridge: Cambridge University Press, 1991), 143–63. See David Carr, *Time, Narrative and History* (Bloomington: Indiana University Press, 1986), for a more purely philosophical discussion of this perspective.
27. Gunnell, 249.
28. Friedrich A. Hayek, *The Constitution of Liberty* (Chicago: University of Chicago Press, 1959), 29.
29. See John Gray, "Hayek on Liberty, Rights, and Justice," in idem, *Liberalism: Essays in Political Philosophy* (London: Routledge, 1988), and Norman Barry, "Hayek on Liberty," in Zbigniew Pelczynski and John Gray, eds., *Conceptions of Liberty in Political Philosophy* (London: Athlone Press, 1984).
30. Hayek, 41.
31. Ibid., 40.
32. Ibid., 41.
33. Ibid.
34. One is reminded of the dispute among John Rawls, *A Theory of Justice* (Cambridge, Mass: Harvard University Press, 1971), Robert Nozick, *Anarchy, State, Utopia* (New York: Basic Books, 1974), and Michael Sandel, *Liberalism and the Limits of Justice* (Cambridge: Cambridge University Press, 1982). Interestingly, Hayek agrees with the social democratic liberal Rawls against the libertarian liberal Nozick that there is no moral connection between achievement and natural abilities. But while Rawls uses this observation to defend distributive justice, Hayek argues that distributive justice would require a standard of merit to ground itself.
35. I am indebted to Jeffrey Friedman for his comments on the following discussion.
36. Hayek, 45.
37. Michael Oakeshott, "Religion and the World," in Timothy Fuller, ed., *Religion, Politics and the Moral Life* (New Haven: Yale University Press, 1993), 31.
38. Andrew Sullivan, "Intimations Pursued" (unpublished diss., Harvard University, 1991), discusses Oakeshott's interest in presentness, but from a different perspective. See also David R. Mapel, "Civil Association and the Idea of Contingency," *Political Theory* 18 (August 1990): 392–410.
39. Oakeshott, "Religion and the World," 33.
40. Michael Oakeshott, *Experience and Its Modes* (Cambridge: Cambridge University Press, 1985).
41. Ibid., 305.
42. Oakeshott, "The Voice of Poetry in the Conversation of Mankind," in idem, *Rationalism in Politics*, 502.

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43. Ibid., 510.
44. Ibid., 538.
45. Michael Oakeshott, *On Human Conduct* (Oxford: Clarendon Press, 1975), 84.
46. Ibid., 55.
47. Ibid., 73.
48. Ibid., 74.
49. Ibid., 324.
50. Ibid.
51. Ibid., 236.
52. Albert O. Hirschman, *The Passions and the Interests* (Princeton: Princeton University Press, 1977), 32.
53. Oakeshott, *On Human Conduct*, 74.
54. Oakeshott, *Experience and Its Modes*, 356.
55. Harold H. Laski, *The Rise of European Liberalism* (London: Unwin Books, 1936).
56. Ibid., 11–12.
57. Guido de Ruggiero, *The History of European Liberalism* (Boston: Beacon Press, 1959), 13.
58. Ibid., 45.
59. In *The Self, the Individual, and the Community* (Oxford: Clarendon Press, 1987), Brian Lee Crowley finds a surprising similarity between Hayek and the Fabian socialists Sidney and Beatrice Webb insofar as they represent (from different ends of the liberal spectrum) the liberal opposition to politics for the sake of purely productivist values. The present argument is similar, except it seeks out a theory which is nonproductivist, political, and liberal.
60. William A. Galston, *Kant and the Problem of History* (Chicago: University of Chicago Press, 1975), 43.
61. Hannah Arendt, *Lectures on Kant's Political Philosophy* (Chicago: University of Chicago Press, 1989), 77.
62. Hans Blumenberg, *The Legitimacy of the Modern Age* (Cambridge, Mass.: MIT Press, 1983), 138.
63. Oakeshott is not, of course, the first to emphasize the value of moral autonomy. Oakeshott himself refers to Kant as an earlier thinker concerned with the motive that spurs action. However, Oakeshott's foremost intellectual debt is to Hegel (running through the British idealists, particularly F. H. Bradley), not to Kant. Because of his Hegelianism, Oakeshott avoids some of the famous problems of Kantian moral theory, specifically the question of how, if morality corresponds to the good will distinct from the natural world, "intention can be translated into action" (Galston, 22). For Oakeshott, the motive of action refers to the concrete ethical life of a community and is recognized by the self in all purposeful action.
64. Michael Oakeshott, *Hobbes on Civil Association* (Berkeley: University of California Press, 1975), 154.

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Kevin Dowd

THE POLITICAL ECONOMY OF CENTRAL BANKING

In Monetary Sovereignty: The Political Economy of Central Banking in Western Europe, *John Goodman argues that the experience of central banking in Germany, France, and Italy illustrates the importance of the degree of central bank independence from the political authorities, and that inflation was lower in Germany in large part because of the Bundesbank's greater independence. These conclusions are very similar to those reached in the economics literature. But the Bundesbank's record is not as impressive as Goodman suggests, and the failure of central banks to eliminate inflation has been extremely costly to western economies.*

While central banking is as much concerned with politics as it is with economics, academic economists writing on the subject have tended to preoccupy themselves with technicalities of one sort or another and gloss over the political context within which real-world central banks must operate. Economists have traditionally felt that "politics" was beyond their concern and left the central banks in their models to operate in a political vacuum. In recent years, however, economists have become more aware of the inadequacies of this approach. Studies in public choice and to some extent rational expectations economics have emphasized that pub-

CRITICAL REVIEW, Winter 1994. ISSN 0891-3811. © 1994 Critical Review Foundation.

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lic agencies, central banks included, have their own private interests that have a significant effect on the policies they pursue.

John Goodman offers a thoughtful and well-written perspective on these issues. *Monetary Sovereignty: The Politics of Central Banking in Western Europe* (Ithaca: Cornell University Press, 1992) examines the relationship between politics and central banking in three countries—Germany, France, and Italy—during the postwar years. The different political configurations of the three countries enable Goodman to draw stronger conclusions about the relationship between politics and central banking than would be possible from studying a single case. Taken together, the three cases illustrate the importance of the degree of central bank independence, and Goodman attaches great importance to the fact that the Bundesbank, the most independent of the three, also delivered the lowest inflation. Goodman's central theme is that this was no coincidence: Germany had a lower inflation rate in large part precisely because the Bundesbank was more independent. He thus reaches the same conclusion as a considerable body of recent economic literature,[1] but he reaches it by a very different route. A secondary theme of the book is the impact of international factors on the shaping of monetary policy, and the most important of these, Goodman argues, is the degree to which the financial system of a country is integrated with, and hence constrained by, the wider international financial system.

Let me begin by clearing some minor issues out of the way. The book contains a number of errors that—whilst not particularly important for any of Goodman's main conclusions—are often repeated elsewhere and are not always so innocuous. The key one occurs on page 14, where Goodman incorrectly asserts that "monetarists contended that monetary policy had no real effects."[2] Were this true, then monetarists would find one monetary policy to be as good or as bad as any other and it would be hard to see how they could have attached the importance they did to achieving a low and stable inflation rate. In fact, it was precisely because they regarded inflation as highly damaging that they placed so much emphasis on getting it under control. What the monetarists did (and still do) say about the limitations of monetary policy was that the long-run Phillips curve is more or less vertical—that is to say, that monetary policy has no significant impact on output in the long run. But as far as I am aware, no respectable monetarist has ever doubted that monetary policy could have very significant real effects in the short run.

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Nor is it true, as we are told on page 15, footnote 26, that "Keynes himself argued that monetary policy was a completely ineffective instrument" in the 1930s. This view of Keynes has been widely propagated in the classroom and in economics textbooks, and it is important because many self-styled followers of Keynes have used it to justify their own belief that monetary policy somehow "didn't matter," yet a careful reading of what Keynes actually wrote reveals that he never made any such claim. He discussed the possibility that monetary policy might be totally ineffective—the so-called liquidity trap doctrine—in the *General Theory of Employment, Interest, and Money* in 1936, but he discussed it only briefly and dismissed it as very unlikely.[3] If anything, his writings from the later 1930s show that Keynes became even more concerned about contemporary monetary policy after the publication of the *General Theory* than he was before. What Keynes actually said was sometimes quite different from what his followers thought he said, and while some of his followers clearly thought that monetary policy didn't matter, he himself did not.[4]

Goodman's basic approach is a comparative case study along what I would describe (with apologies, if appropriate) as conventional historiographical lines. A strength of this approach is that it makes for good reading, at least in Goodman's hands, and it avoids the denseness and the dull recitation of statistics that one finds so often in the economics literature. Goodman gives a good account of the political background to central bank policy in each of his three countries, and thus fills out as it were the flesh and blood—the political conflicts, the personalities involved, and so on—that one does not normally find in works by professional economists. Yet at the same time it seems to me that however well it is used, this approach is capable of yielding only relatively limited insights into central bank policy. On the one hand, the approach is relatively atheoretical, and the comparative absence of theory makes genuine explanation difficult; and on the other, there is no attempt to formally test any hypotheses, and the truth or otherwise of competing hypotheses about central bank behavior then becomes very difficult to assess.

Goodman does discuss economic theories, but he does not make much use of economic theory to tell him what to look for, or how to interpret it. While this sort of eclecticism is admirable in some ways and sometimes even necessary—we don't always have a theory to fall back on, and the theories we do have are often inconsis-

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tent or otherwise inadequate—eclecticism taken too far deprives us of any ability to explain. We observe certain events, but if we have no theory to relate them, all we can do is describe them. But pure description gets us nowhere, and in the absence of any a priori filtering process, we presumably would not know what events to describe anyway and would soon find ourselves adrift in an ocean of meaningless facts. We therefore have no option but to attempt to provide some sort of explanation, and to do that we need to rely on a theory, explicit or otherwise. The explanation will often be relatively straightforward, and sometimes even obvious, but there will be times when it will be neither, and it is at this point that informal seat-of-the-pants discussions will start to run into problems. Instead of nailing one's colors to the mast and relying on a clearcut theory, there is then a tendency to rely on strings of superficially reasonable "explanations" with nothing much to tie them together or ensure their consistency—"explanations" that actually explain very little—and we end up overlooking suitable theories that would have helped us make sense of our material.

To give an example, Goodman asserts that by the mid-1950s, "West Germany's export performance threatened to undermine its objective of price stability," and he proceeds to explain how Germany's strong current account (i.e., its excess of exports of goods and services over imports) created pressures to revalue the mark (60). Leaving aside the objections that he dates these events too early and that (as discussed below) it is doubtful whether the German authorities were really trying to maintain price stability anyway, this discussion ignores the role of the expansionary monetary policy undertaken by the United States operating through the Bretton Woods exchange rate system, and it also fails to explain why the current account was strong to start with. Goodman thus resorts to an explanation that is both ad hoc and incomplete. Yet had he looked further at the work of Harry Johnson, whom he quotes in several places, he would have found that Johnson's monetary (or, if one prefers, monetarist) approach to the balance of payments provided him with an ideal theoretical organizing framework within which to couch his discussion. That approach suggests that the mark was strong in large part not so much because the German current account happened to be strong, but because the German monetary authorities were pursuing less expansionary monetary policies than their counterparts in the United States—an

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explanation that also helps account for why the German current account was so strong in the first place. Goodman makes a throw-away comment about German unwillingness to import inflation that hints at this issue (61), but unfortunately he does not pursue the subject any further.

The other weakness of the informal approach is that it gives us relatively little guidance on how to sift good explanations from bad ones. We may offer an explanation for something which may or may not be a good one, but it is very difficult for anyone to tell and the danger is that the historical episodes under discussion become a playground for all sorts of theories, good, bad, and indifferent. Goodman himself readily acknowledges that his comparative case study method is not the only one possible, and he specifically mentions the option of a statistical modeling (i.e., statistical testing) approach as an alternative, but rejects it on the bizarre grounds that it "cannot disentangle the actual preferences of policy-makers from the constraints they face" (13). This line of reasoning is strange for a number of reasons. To begin with, the purpose of such an approach is first and foremost to sort out good theories (i.e., reasonable theories that are consistent with the data) from bad ones (i.e., those that are not), and in most cases of interest we can do that without needing to disentangle policymakers' preferences from their constraints. I don't need to know these parameters if I am interested in assessing the Quantity Theory of Money, for example. But even in the relatively unusual cases where we do need to know policymakers' preferences—for instance, in some models of the "political business cycle"—it is very often the case that we can disentangle these parameters provided we are prepared to rely on suitable ancillary hypotheses to do so (as, in any case, we always must). I can think of many possible problems with statistical testing approaches—the dependence of results on sometimes inappropriate subsidiary hypotheses, the low power of many statistical tests, the structural instability of many estimated empirical relationships, the unreliability of much economic data, and so on—but I find it very odd that Goodman rejects these approaches on the basis of an argument to which his own alternative is vulnerable. I am not suggesting that Goodman should necessarily have used a formal statistical approach himself if he felt disinclined to do so, but it seems to me that he would have benefited from relying more on the underlying idea that we should use empirical evidence to sift our theories. He does of course use

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evidence in the form of legislation, interviews, participants' written statements, and so on, but he could have supplemented such evidence with more "formal" statistical evidence without having to rely on "heavy-duty" statistical methods.

To illustrate: we have two main competing macroeconomic views of the world that we may loosely describe as Keynesian and monetarist; these views differ from each other in important ways and consequently offer mutually incompatible explanations of macroeconomic events. It is therefore important to select between them, and it seems to me that the empirical evidence enables us to do so. Assume that we are dealing with fixed exchange rates. The Keynesian model predicts that a larger national income will lead to an increased demand for imports, producing a greater current account deficit. The monetarist model, on the other hand, predicts that higher national income will lead to more demand for financial assets, and that this increased asset demand will be satisfied in part at least through a larger current account surplus. So the Keynesian model predicts that higher income weakens the current account, and the monetarist model predicts the opposite. What does the empirical evidence tell us? It tells us, by and large, that during the Bretton Woods period countries such as Germany and Japan that experienced rapid economic growth also experienced strong current account positions, while countries such as the United Kingdom and the United States that experienced relatively slow growth were prone to weak current account positions. The empirical evidence thus supports the monetarist model and falsifies the predictions of the Keynesian one. This sort of evidence might therefore lead one to prefer a monetarist explanation to a Keynesian one.

One gets the same conclusion from other evidence as well. The monetarist model predicts that a shift toward a sustained policy of more rapid monetary expansion will produce a temporary rise in output and employment, but will eventually produce a permanent rise in inflation as inflationary expectations rise and the Phillips curve shifts to the right. The Keynesian model, at least in its 1960s guise, predicts that output should rise permanently without causing a significant increase in inflation. It was the observation that inflation did in fact rise, and that the output stimulus wore off after a while, that discredited Keynesianism in the early to mid-1970s.

Finally, the observation that the macroeconomic performance of countries that adopted Keynesian policies in the postwar period

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tended to be worse than that of other countries suggests that something is wrong with the Keynesian view. The governments of Australia, Canada, the United Kingdom and the United States all became committed to Keynesianism, and yet the economic progress of these countries in the postwar period is widely regarded as lackluster. The governments of Germany and Japan, on the other hand, were always reluctant to implement Keynesian policies, yet their countries had much better economic records.

German Monetary Policy

Let me now turn to Goodman's treatment of German monetary policy. He often suggests that the Bundesbank takes very seriously its statutory "commitment" to the objective of price stability, and he repeatedly implies that the Bank achieved this objective successfully (see, e.g., p. 201). Yet Goodman's Table 10 shows that Germany had an average inflation rate of 4.1 percent over the period 1974–1979, and 2.9 percent over the period 1979–1989. The table ignores inflation prior to 1974, but over the post-1957 period as a whole International Financial Statistics data show that the German consumer price index has more than tripled. For individual years, Goodman's own statistical appendix shows that the rate of inflation has varied from just under zero (in 1986) to over 7 percent (in 1973). Whatever else one can say of this record—and however much better it might be than the record of other countries—one *cannot* reasonably say that it represents the successful achievement of price stability. Price stability means that the price level should show no particular trend over time, and inflation should generally be at least close to zero; the data clearly belie any claim that the postwar inflation rate in Germany was zero or anything close to it. But if the Bundesbank did not achieve zero inflation despite being committed to it by statute, then one must conclude that this statutory "commitment" has failed—however much individual German central bankers might have personally favored it. This failure is all the more striking in view of other circumstances—in particular the Bundesbank's (relatively) strong independence from the German government, and the memories of earlier inflations in Germany—which would have helped the Bank to achieve its goal. If the combination of central bank indepen-

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dence and a statutory commitment to price stability failed here, one must wonder what chance of success it would have anywhere else.

Part of the failure, one suspects, is that the German law provided no sanction to be applied to central bankers if they failed to meet their statutory obligation to deliver price stability. Like the commitments to full employment that many countries enshrined into law in the postwar years, the commitment to price stability in Germany had legal form but no legal teeth. In the absence of any procedure by which private sector agents could sue the central bank for inflation, the only sanction could come from the government itself, but the government's ability to apply sanctions was limited by the central bank's own independence. Moreover, in Germany as in many other countries, effective political pressure is almost always for looser monetary policy. A legal commitment might still serve a useful purpose—it might increase the central bank's bargaining power vis-à-vis the government and thereby resist political pressure for cheaper money—but it would be naïve to think that it alone will achieve the desired outcome if there is no mechanism to punish failure.

Central Banking, Inflation, and Economic Performance

Goodman's findings about the relationship between central bank independence and inflation agree with those of academic economists who have also examined the issue.[5] A good recent example is Alex Cukierman's *Central Bank Strategy, Credibility, and Independence: Theory and Evidence*,[6] which looks at no less than 58 different cases and comes to much the same conclusion as Goodman. Goodman's work, along with that of economists such as Cukierman, suggest some broader conclusions about central banking in modern capitalist economies. Central banks are largely responsible for their economies' levels of inflation; how, then, have they performed? Prices in the United States are now around 20 times higher than they were when the war ended, and as noted earlier, even a country with a relatively successful inflation record like Germany has a price level over three times what it was in the 1950s. What consequences has that inflation had? How much damage has it done?

The answers to those questions are necessarily limited and tentative; it is simply not humanly possible to trace out all the different

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effects of inflation and, as it were, put price tags on them. Furthermore, only a relatively limited amount of evidence lends itself to quantifying the actual costs of inflation. Nonetheless, it is fair to say that the available evidence overwhelmingly points to the conclusion that the costs of inflation have been extremely high.[7] All sorts of evidence suggests, *inter alia*, that inflation seriously interferes with the way markets allocate resources; that it distorts the composition of economic activity, for example by artificially promoting the demand for new financial products as a way of dealing with the uncertainty it creates, thus diverting valuable resources away from other sectors into the financial services industry; and that it undermines the security of contracts and property rights in ways that have no discernible justification on grounds of equity, by reallocating income and wealth in arbitrary ways that frustrate the intentions of those who entered into contracts or bought property. Inflation has all sorts of other effects as well, and it is with good reason that monetary historians have always been so ready to condemn those responsible for past inflations and award high posthumous honors to those monetary reformers who put a stop to them.

Let me, however, ignore all these nebulous costs and focus on just two of the more quantifiable costs identified in the economics literature, even though the latter are probably much less important than the former. The first of the quantifiable estimates treated in the literature is the reduction in welfare that arises from the fact that inflation leads people to reduce their holdings of real money balances because it raises the cost of holding them. As the value of a currency depreciates, people hold less of it in real terms and so must go more often to the bank to replenish their holdings, and so on. (The noneconomist may laugh, but this cost is what the economics literature has focused on.) There is a relatively standardized methodology to handle this issue, and different studies tend to provide not-too-dissimilar estimates of the losses involved. A fairly typical example is provided by Michelle Garfinkel, who estimated that the loss each period from a fully anticipated inflation rate of 4 percent in the United States was about 0.3 percent of national product.[8] Since this 0.3 percent of national product is a loss borne each period out into the future, these period-by-period losses need to be discounted and added together to obtain a present value figure which gives us the "true" cost involved. Using a fairly simplistic discounting procedure with an assumed discount rate of

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5 percent per annum, our 0.3 percent figure then translates into a present value loss of over 6 per cent of annual output.[9] But since this loss estimate assumes that real balances will not grow in the future, a more reasonable treatment leads a higher loss estimate. For example, if real balances are assumed to grow at 2.5 per cent a year, a figure not too far off the past trend in the growth of real balances, the loss doubles to over 12 percent of annual output.[10] The losses from inflation-induced reductions in real balances are thus far from trivial.

There is also evidence that inflation reduces output or productivity growth.[11] Thus, Arthur Grimes's results, confirmed by other researchers, suggest that each percent of inflation reduces output growth by 0.11 percent, and my calculations suggest that that lost output growth translates into a present value loss equal to over 48 percent of current national output if we use the same 5 percent discount rate as before. If we take the cost of inflation-induced lost output growth as 48 percent, and add that to the earlier loss of 12 percent, these two losses combine to produce a staggering loss of no less than 60 percent of current national output. Astonishing as it may seem, if we bear in mind all the other ways besides reduced real balances and lower growth in which inflation damages the economy, and society more generally, the true overall cost of inflation is almost certainly very much larger.

The most important consequence of central bank policy is the rate of inflation that that policy produces, and the historical record indicates that our major central banks have produced a great deal of inflation over the past three decades. Even a central bank with a comparatively good inflation record, the Bundesbank, has a poor record compared to the price-level stability it could have achieved had it chosen (or been allowed) to stabilize prices, and the record of most other central banks is far worse.[12] Since the evidence suggests that inflation—and therefore the central bank policies that produced it—has been highly damaging, to put it mildy, the failure of central banks to achieve price stability is a very serious matter. It is important to emphasize that this failure is an apparently universal phenomenon, at least since the 1960s. The inflations that have occurred since then cannot be ascribed to the failures of this or that particular policy, this or that finance minister or central bank governor, or this that piece of legislation or instance of political interference.[13] The problem goes much deeper. The root cause, I would

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suggest, is the politicization of monetary policy that is, in effect, what central banking is all about.

The supporters of central banking are therefore in an untenable position when they advocate the elimination of inflation, but want to keep intact a central bank apparatus that the experience of the past 30 years suggests has an inbuilt tendency to produce inflation. If we can draw one lesson from the experience of postwar central banking, it is surely that central banking and price stability are incompatible.

NOTES

1. See, e.g., Alex Cukierman, *Central Bank Strategy, Credibility, and Independence: Theory and Evidence* (Cambridge, Mass.: MIT Press, 1992).
2. See, e.g., Milton Friedman, "The Role of Monetary Policy," *American Economic Review* 58, no. 1 (March 1968): 1–17.
3. See John Maynard Keynes, *The General Theory of Employment, Interest, and Money*, reprinted as vol. 7 of *The Collected Writings of John Maynard Keynes* (London: Macmillan, 1973 reprint), 207.
4. A number of other minor errors might be noted. The first central bank to be founded was not the Bank of England, as stated on p. 23, but the Swedish Riksbank. Neither, of course, was founded as a central bank in anything like a modern sense. It is also quite wrong to say, as Goodman does on p. 29, that the nationalization of the Bank of England ended two centuries of central bank independence. Nationalization actually made little difference because the Bank had had no real independence for a long time. There are also some mistakes in the references. Thus "Economic Policy Evaluations: A Critique" in note 28 on p. 15 should actually be "Econometric Policy Evaluation: A Critique," and "Santoremo" in the same note should be "Santomero."
5. See, e.g., Robin Bade and Michael Parkin, "Central Bank Laws and Monetary Policy," mimeo, Department of Economics, University of Western Ontario, 1982; Richard C. K. Burdekin and Leroy O. Laney, "Fiscal Policymaking and the Central Bank Institutional Constraint," Kyklos 41 (1988): 647–62; Alberto Alesina, "Macroeconomics and Politics," in Stanley Fischer, ed., NBER Macroeconomics Annual 1988 (Cambridge, Mass.: MIT Press, 1988), 13–52; and the Cukierman book mentioned in n1 above.
6. See n1 above.
7. For a survey, see, e.g., Kevin Dowd, "The Costs of Inflation," mimeo, Federal Reserve Bank of St. Louis, November 1992.
8. Michelle Garfinkel, "What Is an Acceptable Rate of Inflation? A Review of the Issues," Federal Reserve Bank of St. Louis Review, July–August 1989: 3–15, at 15.

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9. If L_0 is the current period loss, and this loss is to recur each future period forever, then the present value of the loss in period 1 is $L_0/(1 + r)$, that in period 2 is $L_0/(1 + r)^2$, and so on, where r is the discount rate. The sum of these terms is $L_0(1 + r)/r$, and setting r at 5 percent gives the result in the text.
10. Suppose the loss grows at a rate g each period. If the current-period loss is L_0 as in the previous note, the loss in period 1 is $L_0(1 + g)$, the loss in period 2 is $L_0(1 + g)^2$, and so on. The present values of the future losses are therefore $L_0(1 + g)/(1 + r)$, $L_0[(1 + g)/(1 + r)]^2$, etc., and the sum of these terms is $L_0(1 + r - g)/(r - g)$. If $r = 5$ percent and $g = 2.5$ percent, we derive a present value loss of over 12 percent of national output.
11. See, e.g., Arthur Grimes, "The Effects of Inflation on Growth: Some International Evidence," mimeo, Reserve Bank of New Zealand, 1990. See also J. P. Jarrett and J. G. Selody, "The Productivity-Inflation Nexus in Canada, 1963–1979," *Review of Economics and Statistics* 64 (1982): 361–67; and J. G. Selody, "The Benefits and Costs of Price Stability: An Empirical Assessment," mimeo, Bank of Canada, 1990. The present value of the output lost through the inflation-induced reduction in economic growth can be decomposed into the present value of output lost from reduced growth in the first year, the present value of output lost from reduced growth in the second year, and so on. Refer to these as K_1, K_2, etc. Now K_1 is the sum of the present values of output lost each period because of the reduction in first-period growth, etc. If inflation reduces output growth by 0.11 percentage points, the formula used in n9 implies that $K_1 = 0.11(1 + r)/r$, $K_2 = 0.11/r$, $K_3 = 0.11/[r(1 + r)]$, etc. The present value of all the output is then the sum of these terms, viz. $0.11(1 + r)/r + 0.11/r + 0.11/[r(1 + r)] + \ldots$. Rearranging, this sum becomes $0.11(1 + r)[1 + 1/(1 + r) + 1/(1 + r)2 + \ldots]/r$. Using the formula from n9, this sum becomes $0.11[(1 + r)/r]^2$ and we plug in $r = 5$ percent to get the results stated in the text.
12. The reader may wonder whether a sustained policy of zero inflation would have produced a negative effect on unemployment. If the natural rate hypothesis—the vertical long-run Philips curve—is to be believed, there should be no such effect, and in confirmation of this hypothesis, countries with lower inflation do not appear to have greater unemployment problems than countries with high inflation.
13. There is a tendency, especially among noneconomists, to blame inflation on OPEC. While oil price increases no doubt had some effects on inflation shortly after they occurred, the OPEC explanation is very limited: it fails to explain inflation prior to 1974 or in the last ten years or so, and it fails to explain why inflation has differed so much from one country to another. It is also somewhat implausible, since it fails to explain why several one-shot changes in oil prices should translate, not into one-shot changes in the price level, but into changes in the rate of change of the price level (i.e., inflation). The OPEC story can explain the former, but it has great difficulty explaining the latter.

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Robert E. Lloyd

GOVERNMENT-INDUCED MARKET FAILURE: A NOTE ON THE ORIGINS OF FHA MORTGAGE INSURANCE

The conventional wisdom regarding the creation of federal housing programs during the Great Depression cites market failure as the key factor leading to government action. A review of the historical record regarding one program in particular, the Federal Housing Administration's insurance of real-estate mortgages, suggests a more complex picture. Amortized loans were not created anew by the FHA but had been developed previously by various financial institutions; their use by national banks was restricted by law. What market failure occurred seems to have been induced, at least in part, by the federal government.

When markets fail, people look to the state for rescue. Attention is not often directed to government's role in creating market failure in the first place. David Osborne and Ted Gaebler have claimed, for example, that the creation of the Federal Housing Administration (FHA) during the New Deal was an example of effective and necessary government action which saved the U.S. housing industry from ruin.[1] It is important to look beyond the apparent success to

CRITICAL REVIEW, Winter 1994. ISSN 0891-3811. © 1994 Critical Review Foundation.

Robert E. Lloyd, U.S. Department of State, Washington, DC 20522-0602, thanks Jeffrey Friedman and an anonymous referee for helpful comments on a previous draft. The views expressed are solely the author's and do not necessarily represent those of any agency of the U.S. government.

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determine whether this aspect of the Great Depression was due to government action rather than simply a defect in the market.

The National Housing Act of 1934 established the FHA and empowered it to insure mortgages issued by private lending institutions. When this law was enacted, Congress professed to be responding to a classic case of market failure. The home mortgage market was variously described as "frozen," "stagnant," "disappeared," "distressed," or "collapsed."[2] As a result, it was reported that new home construction in 1933 represented only 10 percent of its 1925 level.[3]

Contemporary accounts of the crisis attributed the problem primarily to defects in the system of mortgage financing. Typically, home mortgages were offered as 50–60 percent term loans of three to five years, much like today's "balloon" loans, and they were often accompanied by second and third mortgages.[4] As the end of the mortgage term approached, home owners who had not accumulated enough cash to pay off the mortgage amount that was still due, or who were unable to secure another mortgage, faced the threat of foreclosure.[5] Testimony on the National Housing Act decried the problems inherent in the short mortgage term and the deficiencies of the second mortgage system. By 1933, it was estimated that half of all home mortgages were in default.

The depressed mortgage market was considered to be largely the consequence of the structure of the prevailing mortgage contract.[6] The "innovation" offered by the federal government in the National Housing Act was that FHA mortgage insurance provided for fully amortized loans on 80 percent of value, at 5 or 6 percent interest, with a term of up to 20 years. The results were seen as a success, because "the immediate impact of FHA insurance was to increase the supply of funds to the mortgage market, raise the demand for housing, and stimulate construction employment."[7]

There has been little critical analysis of the circumstances surrounding the creation and implementation of FHA home-mortgage insurance. This Note analyzes the historical context of this alleged case of market failure in an effort to understand the causes of imperfections in the mortgage market. I will focus exclusively on the structure of the mortgage itself and will avoid the more general issues of the causes of the "Great Contraction" of the money supply or other factors which led to a tightening of the

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credit market, though it is clear that the federal government played an important role in this aspect of the crisis.[8]

Contemporary advocates said that the FHA legislation aimed "to overcome the conditions now prevailing in the mortgage market and to remove the obstructions that now impede a free movement of mortgage funds" by providing "a new mortgage instrument that will (a) afford ample security to private lending institutions, (b) lower the cost of mortgage money to the borrower, and (c) eliminate the need for second mortgage financing." Further, to be eligible for insurance, mortgages had to conform to certain recognized standards of sound mortgage practice, including "regular amortization until the loan is completely retired. In general, not more than 20 years."[9] As will be shown below, this mortgage instrument was not entirely new. Federal officials were well aware that revision of federal banking laws was a prerequisite for the success of mortgage insurance;[10] the financial industry had already originated the solution the government would adopt.

The National Emergency Committee (NEC), which was created to coordinate the work of New Deal agencies and under whose aegis the FHA legislation was drafted, attributed the crisis to problems created by the short mortgage term. In this respect it echoed Herbert Hoover's 1931 President's Conference on Home Building and Home Ownership, which had recommended that long-term amortized mortgages replace short-term mortgages.[11] Both the Hoover and Roosevelt administrations recognized the source of a major dysfunction in the home-mortgage market.

The NEC stated that the new housing bill would eliminate the "fear complex" confronting the home owner concerned about being able to "meet the mortgage when due." Referring to "the short-term mortgage evil," the NEC claimed that

> the greatest "mill stone" around the neck of the American home owner of moderate means has been the short-term (three-to five-year) mortgages. During prosperous times mortgage lenders are anxious to keep their money profitably employed and call upon the home owner for interest payments only. During depression periods, however, the same investors become fearful and demand large reductions of principal just at the time when such burdens are most difficult for the home owner to meet. No greater service can be rendered the American home owner than to relieve him of these ruinous demands. The long-term (twenty-year) mortgages called

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> for by this Bill will prevent such ups and downs in financial demands upon the home owner.

Further, the NEC maintained that "regulation of Companies by State and Federal bodies, audits or inspections by agents of those bodies, and similar proposed programs do not get to the root of the home mortgage evil. The Housing Act in one stroke will create the instrumentalities and provide the encouragement and security to put home mortgage financing on a long term basis within the immediate reach of all who need it."[12]

The NEC subcommittee that fashioned the legislative proposal on this subject in the spring of 1934 included both industry and government representatives. The basic concept of the long-term amortized mortgage was less an act of entrepreneurial government than it was a recognition that a useful financial instrument had already been created by the private sector and could be tapped if existing government restrictions on its expansion were removed.

Government Hindrance of Mortgage Loans

A review of the history of the legal regulation of the housing market in the United States reveals the federal government's share of the blame for the evils of the mortgage market of the early 1930s. The National Bank Act of 1864 restricted the ability of national banks to use real estate as security for lending money.[13] The law prohibited national banks from issuing mortgages, and they could only hold real estate purchased to secure debts for up to five years. Until 1927, national banks in New York, Chicago, and St. Louis were prohibited from making real-estate loans at all. Other nationally chartered banks could only make loans of up to five years' maturity at no greater than 50 percent of the appraised value of the land, and real-estate loans could not total more than 25 percent of a bank's capital.[14]

These restrictions reflected the view that it was considered an unacceptable risk for national banks to loan money on real estate. One court wrote that "banks should not be permitted to engage in undertakings out of their line of business, and thus to put stockholders and depositors to unanticipated hazards," citing an opinion in a similar case which observed that "the management of such bank

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should at all times be free from speculation, the assumption of undue risks, or the doing of anything else calculated to inure the public by impairing the credit of the bank."[15] As H. Parker Willis and John M. Chapman note, "the older conception of banking upon which American banking legislation was modeled did not recognize real estate lending as a satisfactory form of bank activity."[16]

Typical of this thinking was the position taken in 1930 by the Comptroller of the Currency that banking activity, such as making loans on real estate, was "foreign to the legitimate functions of a commercial bank."[17] Accordingly, federal approval of mortgage lending was slow in coming. A 1916 amendment to the Federal Reserve Act allowed one-year loans on urban real estate for those national banks not located in a central reserve city.[18] Not surprisingly, in 1934 commercial banks held only an estimated 7.1 percent of the total amount of outstanding nonfarm home mortgages for single-family houses.[19] Even after 1927, banks were discouraged from issuing long-term amortized mortgages. At the federal level, the McFadden Act of 1927 explicitly allowed national banks to make real-estate loans or mortgages, but they could not exceed 50 percent of the actual value of the real estate or have a term longer than five years.[20] State laws were equally hostile to the sort of mortgage eventually enacted in the National Housing Act.

The NEC met with President Roosevelt in December 1934 and obtained his approval of plans to visit state legislatures to obtain revisions of state laws that would permit lenders to issue amortized FHA loans. In 1939, the General Counsel for the FHA reflected:

> One of the early and most difficult tasks of the [FHA] Legal Division concerned enabling legislation in the various States to permit lending institutions to operate under the Act. The terms of loans that might be insured under both Titles I and II [of the 1934 Housing Act] were in excess of the terms permitted most types of institutions in almost all the States. FHA representatives appeared personally before practically every State legislature with the result that lending institutions in all States were permitted to make both Title I and Title II loans within 18 months after the Act was passed.[21]

In addition to the lending restrictions and other forms of government regulation, one factor that tightened the credit market was certainly the fact that each state had laws limiting the interest rate that could be charged for home loans. The maximum was generally

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5 to 8 percent.[22] Financial institutions that legally could neither amortize long-term loans nor charge market interest rates can hardly be blamed for the tight mortgage market of the years immediately preceding the enactment of the National Housing Act.

Pre-FHA Home Financing

Despite all the regulation, amortization was a common feature of home mortgages prior to 1934 and was not a concept pioneered by the National Housing Act. Apart from the national banks, which could not legally issue amortized mortgages of the type envisioned in the National Housing Act, building and loan associations were already using amortized mortgages. In fact, the President's Commission reported in 1931 that "the amortized loan [of 11 to 15 years] is almost always used by building and loan associations," and "mutual savings banks and insurance companies have been tending toward the amortized long-term loan."[23] While Marriner Eccles, Assistant to the Secretary of the Treasury, testified in Congress to the contrary, the Executive Vice President of the United States Building and Loan League reported in the same hearings that even home-repair loans by building and loan associations typically ran 10 to 12 years and that "without exception, they are made on the amortized plan."[24]

A sample of mortgages issued by mutual savings banks from 1918 to 1931 reveals that 12 percent of the loans were on an amortized basis.[25] Life insurance companies often required amortization of mortgage loans, and terms of 10 to 15 years were common before 1924.[26] R. J. Saulnier confirms that "savings and loan associations have always made the bulk of their mortgages on [an amortized] basis" and that a small percentage of mortgages issued by life insurance companies were also amortized.[27] Most banks did not amortize mortgages because they were

> compelled to make their loans with contract maturities so short that only very little repayment, if any, was feasible. It was not until the McFadden Act was passed in 1927 that commercial banks were permitted to go beyond one year in the maturities of their nonfarm mortgage loans, and even then the outer limit was set at five years. It was because of statutory restrictions that the practice grew of taking what reduction could be obtained in a mortgage loan at its maturity and then remaking it for another short span of years.[28]

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J. E. Morton's study confirms that amortization was common by 1934. In samples of nonfarm home mortgages of that year, the average annual contract length was 11.7 years for mortgages issued by savings and loan associations, 2.9 years for commercial banks, and 7.9 years for mortgage companies.[29] A sample of 116 commercial banks taken by Carl F. Behrens found that even before the enactment of the National Housing Act of 1934, 40 percent of the mortgage loans were partially amortized and 15 percent were fully amortized.[30]

Michael Rappaport has argued that prohibitions by state governments prevented any form of viable private unemployment insurance from developing when the Great Depression occurred.[31] Private mortgage insurance, in contrast, existed both before and after the enactment of the National Housing Act, a fact that tends to be overlooked by the market failure theorists.[32] Statistics compiled by the National Association of Home Builders reveal that the dollar value of privately insured mortgages exceeded both FHA and Veterans' Administration amounts combined in such recent years as 1978, 1981, 1982, 1984, and 1985.[33] The long-term mortgage, too, was not a creation of the federal government but of the private mortgage market.

The Government Intervenes

The political economy of the FHA legislation provides an interesting contrast to the traditional view that the National Housing Act was public-interest legislation designed by the federal government to address home owners' unmet needs. Both industry and Congress stood to gain from its enactment. The passage of the FHA legislation served to provide a benefit to Democratic members of Congress, who could take credit at the next election for promoting home ownership while ignoring government's role in the decline of the housing industry. John H. Mollenkopf points out that the FHA—as well as its predecessor, the Home Owner's Loan Corporation, which purchased defaulted mortgages and allowed home owners to refinance on longer terms—helped increase not only home ownership but also support for the Roosevelt administration and its legislative allies.[34]

Furthermore, the National Housing Act was more than just a

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housing measure; Title IV created the Federal Savings and Loan Insurance Corporation (FSLIC). At the time, building and loan associations were not covered by the deposit insurance available for commercial banks from the Federal Deposit Insurance Corporation (FDIC). Many congressmen were directors of local savings and loan associations and naturally favored the FSLIC insurance concept in an effort to protect their own holdings.[35]

President Roosevelt took a direct interest in the housing bill and instructed its drafters to devise a plan that would satisfy the building and loan industry.[36] One congressman complained that the housing bill was "written in the interest of those who either have already loaned money or who desire to loan money and get the benefit of the Government's guarantee.[37] The chief lobbyist for the building and loan associations, Morton Bodfish, testified in support of the bill in Congress, but he objected to the fact that the FHA program would enable commercial banks to enter the field of long-term mortgage lending and thus compete against his industry.[38]

Congressional testimony on the National Housing Act featured only one group claiming to represent home owners, the Home Owners' Protective Enterprise, and it opposed the legislation as being "principally for the benefit of the lenders of money and suppliers of materials."[39] Among the individuals involved in drafting the specific provisions of the law was Albert Deane, President of General Motors Acceptance Corporation, which sold furnaces and household appliances.[40] Contemporary commentators noted the role of "pressure groups," including the building trades, as important players in the passage of the legislation.[41] The legislation was, predictably, supported by the National Lumber Manufacturers' Association, the National Association of Real Estate Boards, and the Durable Goods Industries Committee, each of which stood to benefit substantially from the increased amount of home construction that was anticipated to result from the new law.[42]

* * *

Whether the mortgage market would have failed on its own in the years preceding the New Deal is impossible to determine accurately, but what is clear is that its problems were induced at least in part by government. For many financial institutions, amortized mortgages of the type envisioned by the National Housing Act were prohibited by law. For those institutions to which such restrictions did not

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apply, amortization was common. Home owners who thanked the federal government for intervening in the housing market and creating long-term FHA loans could just as well have decried the role played by government in contributing to the housing dilemma in the first place, had they been aware of it. In addressing the decline of the housing market during the Great Depression, future research might profitably consider government regulation as the source of the problem the FHA was created to solve.

NOTES

1. David Osborne and Ted Gaebler, *Reinventing Government* (Reading, Mass.: Addison-Wesley, 1992), 280–81.
2. National Emergency Council, Memorandum on Mortgage Financing, April 17, 1934; idem, press release, May 14, 1934. See also U.S. Congress, House, *National Housing Act, Hearings before the Committee on Banking and Currency* on H.R. 9620, 73d Cong., 2d Sess., 33, 238.
3. William M. Shenkel, *Modern Real Estate Principles* (Dallas: Business Publications, 1977), 308; H. Rept. No. 897 on S.2246, 81st Cong., 2d Sess., Committee on Banking and Currency 56–67.
4. Shenkel, 309; Marriner S. Eccles, *Beckoning Frontiers* (New York: Knopf, 1951), 145–52; Sidney Hyman, *Marriner S. Eccles* (Stanford: Stanford University Press, 1976), 139.
5. *Congressional Record-Senate*, June 16, 1934, 11981, statement of Senator Barkley; Ronald Tobey, Charles Wetherell, and Jay Brigham, "Moving Out and Settling In: Residential Mobility, Home Owning, and the Public Enframing of Citizenship, 1921–1950," *American Historical Review* 95 (December 1990): 1395–1422; Hyman, 139, 145.
6. Shenkel, 308. Senator Wagner placed the blame on lenders in his statement upon passage of the National Housing Act of 1934: "Here, indeed, is a charter for the home owner against unrestrained avarice. And in freeing the borrower from impossible burdens we shall also free the lender from retribution for his own folly." *Washington Evening Star*, June 20, 1934.
7. Ibid.
8. There is a lively debate in the literature regarding whether the Federal Reserve Board was a cause of the credit crunch; see *Report of the Presidential Task Force on Market Mechanisms* (Brady Report) (Washington, D.C.: GPO, January 1988), VIII-5–VIII-6; Milton Friedman and Anna Schwartz, *A Monetary History of the United States, 1867–1960* (New York: National Bureau of Economic Research, 1963), 299–419. A detailed examination of the problem is beyond the scope of this paper, but a "public choice" explanation for the contraction is provided in Gary M. Anderson, William F. Shughart II, and Robert D. Tollison, "A Public Choice Theory of the Great Contrac-

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tion," *Public Choice* 59 (1988): 3–23, and idem, "A Public Choice Theory of the Great Contraction: Further Evidence" *Public Choice* 67 (1990): 277–83, augmented by Gary M. Anderson and Robert D. Tollison, "Congressional Influence and Patterns of New Deal Spending, 1933–1939," *Journal of Law and Economics* 34 (April 1991): 161–75, and debated in this journal by Gene Smiley, "Can Keynesianism Explain the 1930s? Reply to Cowen," CRITICAL REVIEW 5, no. 1 (Winter 1991): 81–114. Among contemporaries who analyzed New Deal legislation in terms of self- interest was Congressman Dirksen, who objected to one portion of the legislation on national mortgage associations because "that will not do my district any good." (*Congressional Record-House*, June 12, 1934).

9. National Emergency Council Memorandum and press release, n2 above.
10. National Emergency Council, Memorandum on Housing Program, April 19, 1934, sec. II, p. 3, para. D.
11. Paul F. Wendt, *The Role of the Federal Government in Housing* (Washington, D.C.: American Enterprise Association, 1956), 8; Murray Rothbard, *America's Great Depression* (New York: Richardson & Snyder, 1963), 242.
12. National Emergency Council, press release, May 14, 1934, 3–4.
13. 13 Stat. 99, Sec. 28, Act of June 3, 1864, which revised Sec. 14 of the National Currency Act of February 25, 1863; James R. Barth and Martin A. Regalia, "The Evolving Role of Regulation in the Savings and Loan Industry" in Catherine England and Thomas Huertas, *The Financial Services Revolution* (Boston: Kluwer, 1988), Appendix I, 153.
14. Eugene N. White, *The Regulation and Reform of the American Banking System, 1900–1929* (Princeton: Princeton University Press, 1983), 23.
15. *Norton Grocery Co. v. People's National Bank of Abingdon*, 144 S.E. 501, 504 (1928), quoting at 505; *National Bank of Parkersburg, W. Va. v. United States Fidelity and Guaranty Co.* (C.C.A.), 266 F. 490 (1920).
16. H. Parker Willis and John M. Chapman, *The Banking Situation* (New York: Columbia University Press, 1934), 585. They argue (at 587) that part of the reason was the lack of liquidity in such loans.
17. Thomas P. Kane, *The Romance and Tragedy of Banking* (New York, 1930), 90, quoted in Carl F. Behrens, *Commercial Bank Activities in Urban Mortgage Financing* (New York: National Bureau of Economic Research, 1952), 15.
18. 39 Stat. 754; cited by Behrens, 17.
19. Behrens, 33.
20. 44 Stat. 1233, Sec. 16.
21. Abner H. Ferguson, "The Housing Act and Its Legal Aspects," in Federal Housing Administration, *Insured Mortgage Portfolio* (September 1939), 23; National Emergency Council Proceedings, as reported in Lester G. Seligman and Elmer E. Cornwell, Jr., *New Deal Mosaic: Roosevelt Confers with his National Emergency Council 1933–1936* (Eugene: University of Oregon Press, 1965), 358–59; U.S. House *Hearings*, n2 above, 312.
22. *Federal Home Loan Bank Review* 1, no. 2 (November 1934): 20.
23. *Report and Recommendations of the Committee on Home Financing*, preliminary

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draft to the President's Conference on Home Building and Home Ownership, November 15, 1931, 24. In 1932, mutual savings banks accounted for 59.3% of all real-estate loans, with "loan & trust" companies covering 12.5%, state commercial banks 11.2%, and national banks 16.2%; Willis and Chapman, 590.

24. U.S. House *Hearings*, n2 above, 8, 245.
25. John Lintner, *Mutual Savings Banks in the Savings and Mortgage Markets* (Boston: Harvard University Graduate School of Business Administration, 1948), 410.
26. Robert F. Bingham and Elmore L. Andrews, *Financing Real Estate* (Cleveland: Stanley McMichael, 1924), 98, 100–103.
27. R. J. Saulnier, Introduction, in J. E. Morton, *Urban Mortgage Lending: Comparative Markets and Experience* (Princeton: National Bureau of Economic Research/Princeton University Press, 1956), 7.
28. Ibid., 8.
29. Morton, 174.
30. Behrens, 48.
31. Michael Rappaport, "Origins of the Unemployment Insurance Mess," *Wall Street Journal*, October 31, 1991: A22.
32. Chester Rapkin, J. Robert Ferrari, Roger Blood, and Grace Milgram, *The Private Insurance of Home Mortgages* (Philadelphia: University of Pennsylvania Press, 1967); James Graaskamp, "Development and Structure of Mortgage Loan Guaranty Insurance in the United States," *Journal of Risk and Insurance* 34, no. 1 (March 1967): 47–67.
33. *Housing Market Statistics*, January 1991, 43.
34. John H. Mollenkopf, *The Contested City* (Princeton: Princeton University Press, 1983), 70–71.
35. Hyman, 140.
36. Eccles, 152; Hyman, 147.
37. Statement of Congressman Goldsborough, U.S. House *Hearings*, n2 above, 360.
38. U. S. House *Hearings*, n2 above, 312; Eccles, 152.
39. *Washington Post*, May 17, 1934; U.S. Congress, Senate, *National Housing Act, Hearings before the Committee on Banking and Currency* on S. 3603, 73d Cong., 2d Sess., 384–89; U.S. House *Hearings*, n2 above, 328, 360–63.
40. Eccles, 147; U.S. House *Hearings*, n2 above, 241.
41. E. Pendleton Herring, "American Government and Politics," *American Political Science Review* 1, 4 (1934): 82–83, 855; Saulnier, n27 above, 8. Mollenkopf (70) notes that the bill drafted to create the Home Owners Loan Corporation, enacted in 1933 as the Roosevelt administration's first venture into the mortgage market, was likewise written by industry, specifically by the executive vice president of the National Association of Real Estate Boards, and a prominent feature of this law was its long amortization period for refinanced mortgages.
42. *New York Times*, May 21, 1934; *Washington Evening Star*, May 26, 1934.

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W. William Woolsey

LIBERTARIANISMS: MAINSTREAM, RADICAL, AND POST

Like Jeffrey Friedman's proposed postlibertarianism, mainstream libertarianism has always emphasized the consequences of alternative institutions for human well-being. Mainstream libertarianism does, however, share some similarities with the radical libertarianism criticized by Friedman, as can be seen by considering possible answers to the questions Alec Nove recently posed for postlibertarians.

In a recent issue of CRITICAL REVIEW, Alec Nove presented a list of questions for postlibertarians, and Jeffrey Friedman responded with a review of the differences between what he considers libertarianism and his proposed postlibertarianism. Unlike Friedman, I define libertarianism very broadly as a tendency to oppose the status quo of the late-twentieth-century Western world, a tendency to favor less government intervention in both personal and economic affairs. It differs from modern conservatism, which shares the libertarian sympathy for economic freedom but favors increased government intervention to promote traditional moral values (especially through the criminal justice system). It also differs from modern liberalism, which shares the libertarian skepticism about the ability of government to promote proper moral values in

CRITICAL REVIEW, Winter 1994. ISSN 0891-3811. © 1994 Critical Review Foundation.

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private life but favors increased government intervention to promote economic prosperity (especially for the poor).

The libertarian perspective is reasonably common. In the early 1980s, somewhere between 15 and 20 percent of U.S. voters favored a libertarian approach.[1]

Friedman defines libertarianism much more narrowly, however, as a variant of negative liberalism that treats freedom to dispose of property obtained in the "Nozickean" fashion as a preemptive absolute.[2] Obviously, the millions of American voters who are skeptical of government intervention in both personal and economic affairs do not accept such a view, nor do what might be called "mainstream libertarian" scholars, such as the Nobel prize–winning economists F. A. Hayek, Milton Friedman, and James M. Buchanan. While those writers probably favor substantially more change from the status quo (that is, less government) than do most libertarians, even they do not treat economic laissez faire as a preemptive absolute.[3] They all favor taxation to fund government provision of various public goods[4] and even transfers to help the poor.[5] Regardless of the details of their arguments, there is some supposed relationship between the limited scope of government activity they favor and material well-being.[6]

There are, however, some libertarians who do insist on absolute respect for individual rights, including individual rights to private property. I describe them as "radical" libertarians because they go even further than the mainstream writers (who actually favor rather radical changes) in proposing reductions in government activity. Friedman identifies three: Robert Nozick, Ayn Rand, and Murray Rothbard.

Nozick makes no effort to justify his absolutism in defense of individual rights. Rand, however, provides an argument. She insists that the sole intrinsic good for human beings is human life.[7] She argues that reason and productive work are necessary means toward that end.[8] And she claims that unrestricted individual rights are necessary to allow for the free reign of reason and productive work.[9] While her argument explicitly claims that individual rights are necessary for human well-being, she does not prove this and fails to provide a detailed comparison of the consequences of radical libertarianism with those of alternative social systems.

Rothbard's justification for individual rights is even harder to take seriously. He claims that complete freedom to dispose of

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property is one of only three possible social systems. He rejects the second, communism, as inconsistent with human survival and the third, class rule, as inconsistent with equality.[10] That leaves laissez-faire libertarianism as the only legitimate alternative. Rothbard fails to compare the consequences of absolute individual rights with any of the less absolutistic alternatives, especially the sorts of constitutional democracy favored by such mainstream libertarian scholars as Hayek, Friedman, and Buchanan.

So what is Friedman's postlibertarianism? It is a repudiation of the radical libertarianism represented by Nozick, Rand, and above all Rothbard. All three failed to provide virtually any justification of individual rights, although Rothbard was the most vocal in insisting that government activities be opposed solely because they violate those rights. And while none of them seriously compared the likely consequences of various social orders, Rothbard explicitly rejected the propriety of such comparisons.[11]

Postlibertarianism, therefore, asks the young scholars who picked up radical libertarianism in the late Sixties, Seventies, and early Eighties to return to the consequentialist arguments that radical libertarianism has distorted into a dogma. Only a detailed understanding of the consequences of social systems will allow for a judgment as to what sort of system best promotes human well-being. Mainstream libertarian thought, however, already focuses on the consequences of alternative systems. So Friedman's postlibertarianism primarily seeks to bring the "radicals" back into the "mainstream."[12]

Nove's Questions about Harm

Nove's questions about the postlibertarian view of various sorts of harms and distributions of property rights provide an opportunity to compare and contrast radical and mainstream libertarian views. While Friedman's rejoinder provides a useful summary of the key differences (a focus on consequences rather than abstract rights), there remain important similarities of perspective that might help readers like Nove understand libertarianism.

Nove describes several sorts of rivalry and asks whether the harm imposed by one rival on the others should be condemned and prohibited. His first example is competition for the affections of a lover.[13] At first glance, most libertarians would focus on the lover.

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Rather than one suitor harming the others through competition, it is the lover who "harms" the unsuccessful suitors by limiting her affections to the successful one. But since none of the suitors have a claim to her affection, libertarians think the harm should be ignored.

Yet why is there no claim to her affection? The radical libertarian would appeal to her individual rights. She is a self-owner, or has an inherent right to liberty, and this is just one specific application of her right to choose what to think and how to spend her time. Mainstream libertarians, if pressed, would attempt to justify the recognition of such a right as being more consistent with human well-being than its alternatives. They would probably focus on the specifics of this situation, since nearly everyone would be offended by the prospect of assigning lovers through the political process. Yet more generally, they would justify her right to choose a suitor as an instance of freedom of association, arguing that such freedom would be better than the alternatives (such as government determination of which personal relationships are to be "free" and which are to be assigned through the political process).

Nove's second and third examples are very similar to the first. The fickle customers who desert a firm for its rivals cause its bankruptcy. The institution providing reseach grants "harms" those who do not receive grants. Radical libertarians would insist that the customers and the foundations have a right to direct their patronage as they choose, subject only to the long-term contracts they have made or the rules for providing grants they have announced. Mainstream libertarians would focus on the consequences of allowing customers and firms to make such contracts or not, and of permitting grant-providing and other institutions to develop the rules their members believe are appropriate. They would contrast the consequences of this freedom of contract with those likely to follow from using the political process to govern the terms of similar relationships.

Nove's fourth example is the harm caused to those who must walk through the rain to attend a concert because the nearest parking spaces are already filled. Libertarians would ask who owns the parking spaces. The owner (say, the concert hall) could assign parking spaces to patrons in any number of ways; parking in someone else's assigned space should be prohibited. One approach to assigning spaces is first come, first served. People who come relatively late are

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harmed by that approach, but since those are the rules set by the owner, they have no special claim to a parking space.

The radical libertarian would appeal to the intrinsic right of the owner of the parking spaces to assign them as he chooses. The mainstream libertarian would compare the consequences of allowing whatever organization is in charge of the parking spaces (and more generally, owners of other property) to determine rules that seem appropriate to the consequences of using the political process to impose rules on everyone.

Nove's fifth example is the harm caused to losers in a competitive sport. Libertarians would see this as another example of freedom of association and contract. People can choose to participate in games, and if they agree to rules that define winners and losers, that is their affair. People who might regret having played if they lose and only play in the hope that they will win should still be able decide whether to take that risk. Radical libertarians would appeal to the players' right to make this choice freely. Mainstream libertarians would need to justify the freedom to play competitive games either specifically because permitting the free development of games would tend to promote human well-being, or on the broader ground that allowing general freedom of association and contract is more conducive to well-being than having the government determine whether voluntary associations should be free or regulated.

Nove's sixth example is the harm done to a suspect arrested by the police. In general, libertarians would ask what crime was suspected. The harm to the suspect would be unjustified unless the alleged crime involved some activity that the government should prohibit. Radical libertarians are quite clear on that issue. The government should only prohibit private violations of individual rights: aggression against the person or property of others.

Some radical libertarians go even further, arguing that suspects should never be arrested. Rothbard, for example, insists that only after a suspect is tried and found guilty should he be taken into custody for punishment.[14] Mainstream libertarians would instead look at the consequences of prohibiting various harmful activities as well as the consequences of allowing the police to arrest mere suspects.

Nove's seventh example involves the harm done to an employee dismissed from his job. He later elaborates on that question, pointing out that at least some countries impose restrictions on firing work-

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ers. He asks if steel workers would have any rights offsetting a steel mill owner's right to dispose of his property and thereby of their jobs. He points out that the libertarian writer Richard Cornuelle sees workers' subordinate status as a restriction on their liberty.

Libertarians would note that business firms (such as steel mills) are one of many forms of organization that can be developed through contract. If the specific form of organization contracted allows an "owner" to fire an "employee" with or without compensation, then that harm to the employee should be permitted. Radical libertarians would justify this by appeal to the property rights of the owner. Mainstream libertarians would probably point to the benefits workers obtain from classical capitalist firms that can fire at will. That is, they receive more pay while they are working.[15] They would probably also emphasize the general benefits of allowing people to use contracts to form organizations that they believe are beneficial rather than using the political process to determine what forms of organization are permitted.

Libertarians can have different views about what forms of business organization are most desirable. Cornuelle, for example, believes that business firms should allow employees more input and discretion. Yet he has not suggested that the government stamp out classical capitalist firms.[16]

Harm Caused by Pollution

Nove's eighth and ninth questions involve the harms created by noise and water pollution. Since they involve physical aggression against another's person or property, libertarians are likely to favor restriction on them. Friedman repeats in his rejoinder a claim made in an earlier article.[17] He notes that radical libertarianism demands that all physical aggression be ended regardless of harm. On that view, nothing should be permitted to cross a property boundary, including exhaled carbon dioxide or photons from a struck match. He points out that enforcing such a regime would end all human life.[18]

His argument is exaggerated, since at some cost people could offset the effects of their exhaling and maintain natural buffers to block photons. Yet it is unclear why radical libertarianism must demand such an extreme policy. Nove asks which harmful activi-

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ties should be prohibited. The plausible, radical libertarian response is: only those harmful actions involving physical aggression should be prohibited. Contrary to Friedman and Rothbard, harmless activities that involve physical aggression would be irrelevant.[19]

The mainstream libertarian, however, would look at the consequences of prohibiting all harmful pollution (or banning anything that crosses property lines, however harmless) and compare them with the alternatives. Since environmental pollution is an unpleasant side effect of the production of various useful goods, material well-being is enhanced by allowing harmful pollution only when the value of the products compensates for the harm. Mainstream libertarians typically favor "free-market environmentalism," with government using tradeable permits and/or quantity-dependant fines aimed at efficiently balancing the benefits and costs of pollution.[20]

Stolen Property?

Nove asks about the restrictions on liberty implied by an unequal distribution of property. He notes that El Salvador and Scotland are examples of places where a small number of people have inherited huge parcels of land from ancestors who conquered that land or somehow appropriated resources that had been used in common. Yet no libertarian advocates conquering foreign lands and dividing up the spoils among the generals. And proposals by libertarians to privatize common (or public) property do not involve dividing it up among a few leading citizens. But while libertarians do not think such practices were desirable in the past, no libertarian would favor rectifying them by having the government take the place of present-day large landowners and then directly manage all economic activity involving land (that is, all economic activity).

Radical libertarians, however, do believe something should be done about unjust property holdings. As Friedman explains, they believe in an absolute right to utilize property obtained in the Nozickean fashion—that is, property obtained by exchange, gift, or appropriation of unused resources. Conquest (or other theft) and unilateral appropriation of common property are not included. Rothbard, especially, insists on the return of stolen property to its rightful owners or their heirs. He and his followers favor dividing up "feudal" estates and giving title to the peasants.[21]

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Mainstream libertarians are more inclined to look at consequences. Are the landowners providing services to their tenants? Is there effective competition in the land market? What are the other approaches to raising the incomes of poor tenants? Exactly how would dividing up rental income affect the income of each tenant? It is not clear that redistribution of property, even when it was obtained from some ancient conquest, would necessarily best promote human well-being.

Postlibertarianism vs. Libertarianism

Are there any differences between mainstream libertarianism and postlibertarianism? Some of Friedman's criticisms of radical libertarianism apply to mainstream libertarianism as well. For example, Friedman is troubled by the way that both mainstream and radical libertarians identify "liberty" with reduced government intervention. And he makes some related substantive criticisms.

Friedman is especially critical of the practice of simply identifying liberty with its negative version and completely ignoring the positive conception of liberty that demands paternalism so as to free individuals from internal constraints that interfere with their well-being.[22] The negative version of liberty, however, is most consistent with ordinary political discourse, so adopting a new, more obscure terminology would not serve clear communication.[23] Yet Friedman has a related substantive point. Like radical libertarians, mainstream libertarians sometimes make abstract arguments that dismiss paternalism out of hand.[24] To become postlibertarians, they must give up their blanket condemnations of paternalism entirely and instead use the same procedure they use for economic issues: comparison of the consequences of alternative institutions for human well-being.

Friedman is also concerned with the ambiguous meaning of negative liberty itself. Like the radicals, mainstream libertarian writers typically describe economic interventions as violations of negative liberty. Friedman favors an alternative view: economic intervention by government might provide more equal economic liberty. For example, modern liberals might propose a regulation forcing firms to improve the quality of their product. In their view, that would

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restrict the freedom of big business while liberating the consumers by providing them with the improved product they prefer.

In ordinary political discourse, however, "economic liberty" is usually associated with reduced government intervention in the economy. Modern liberals typically defend their preferred government interventions on the grounds that they promote not freedom but "social justice." Using terms such as "liberty" as a synonym would confuse communication.

Yet Friedman is making a substantive point here as well. Repeal of government programs that benefit some at the expense of others does not exactly liberate those losing the benefits. That would be especially true of the repeal of a program that redistributed income to the poor. Such programs plausibly enhance the freedom of the poor to do what they wish with their lives.

Friedman's substantive point has little relevance for the reform program of mainstream libertarianism, however. Much of the economic intervention advocated and imposed by modern liberalism does not actually achieve a more equal distribution of economic well-being. Returning to the example above, libertarians would note that consumers will surely pay more for a higher quality product, so the proposed regulation would prohibit both firms and consumers from choosing less costly, lower-quality products.

Similarly, those government programs more directly aimed at redistributing resources to the poor (housing projects, public schools, etc.) rarely provide the poor with much "choice." Mainstream libertarian proposals for reform of such programs usually promise to provide the poor with more choices and improve their material well-being while reducing the cost of the programs and thereby the tax burden on the nonpoor.

Friedman's differences with mainstream libertarianism, therefore, appear to be insignificant. Mainstream (and radical) libertarian use of the term "liberty" is consistent with ordinary political discourse. As for the substantive dispute about positive liberty, Friedman simply asks mainstream libertarians to emphasize their arguments about the adverse consequences of paternalism. And the substantive dispute about economic liberty is irrelevant to the actual reform proposals of mainstream libertarians.

Yet there is a difference between mainstream libertarianism and Friedman's postlibertarianism. Postlibertarianism does not *necessarily* imply support for the government interventions favored by

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many mainstream libertarians. That is the point of Friedman's argument about the meaning of economic liberty. He insists that radical libertarians must do more than dismiss the sorts of government aid to the poor favored by many mainstream libertarians merely because it reduces economic liberty. And the same point is implicit in Friedman's answer to Nove's final question. Friedman explains to Nove that sewers, street lighting, trash collection, public parks, and traffic regulation are consistent with radical libertarianism since such things have been produced privately in the past. Mainstream libertarians have not been content to make the quite obvious point that any public good or service could be produced by the private and independent sectors. They have instead compared the relative effectiveness of private and public production, typically arguing that some goods are best financed by taxation and provided (though perhaps not produced) by government.

So postlibertarianism is potentially more radical than mainstream libertarianism. Friedman proposes that postlibertarians go beyond the mainstream libertarian approach of criticizing specific government activities and studying the consequences of possible market alternatives. He asks that they search for a more global critique of government activity and reasons for favoring market and independent alternatives.[25] While postlibertarianism does imply a return to the mainstream libertarian concern with consequences, it proposes a research program that is at least tentatively consistent with a consequentialist justification for the radical doctrine of laissez-faire libertarianism.[26]

NOTES

1. William S. Maddox and Stuart A. Lilie, *Beyond Liberal and Conservative* (Washington, D.C.: Cato Institute, 1984), 16.
2. Jeffrey Friedman, "Postlibertarianism Is Not Libertarianism: Rejoinder to Nove," CRITICAL REVIEW 6, no. 4 (Fall 1993): 605–9.
3. Friedman's statement that "most libertarians and 'classical liberals' (including not only such economists as Hayek and Friedman but such philosophers as Nozick, Rand, and Rothbard) . . . embrace an ideology in which (narrowly defined) freedom is such a preemptive absolute that the results of freemarket economic analysis becomes irrelevant," ibid. 607, implies the opposite.
4. See Friedrich A. Hayek, *The Road to Serfdom* (Chicago: University of Chicago Press, 1944), 18, 37–39; idem, *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960), 222–31; and idem, *Law, Legislation and*

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Liberty, vol. 3 (Chicago: University of Chicago Press, 1979), 41–49. Also see Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), 3, 27–32; and Milton Friedman and Rose Friedman, *Free to Choose* (New York: Harcourt Brace Jovanovich, 1980), 27–33. And see James M. Buchanan, *The Limits of Liberty: Between Anarchy and Leviathan* (Chicago: University of Chicago Press, 1975), 42–46, 97–98.

5. See Hayek, *The Road to Serfdom*, 120–21; idem, *Constitution of Liberty*, 285–86; idem, *Law, Legislation and Liberty*, vol. 3, 54–55; Friedman, *Capitalism and Freedom*, 190–95; Friedman and Friedman, 119–23; James M. Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1965 [1962]), 195–98; and Buchanan *The Limits of Liberty*, 73, 178–79.
6. Hayek emphasizes evolved rules and Buchanan demands universal agreement. Yet they also believe that what evolves and what would be agreed to would serve human well-being. Leland B. Yeager, however, is a mainstream libertarian who is explicit in arguing that the relative effectiveness of alternative institutions in obtaining human well-being is all that matters. See his "Pareto Optimality in Policy Espousal," *Journal of Libertarian Studies* 2, no. 3 (Fall 1978): 210–12.
7. Ayn Rand, *The Virtue of Selfishness* (New York: Signet Books, 1961), 17.
8. Ibid., 21–27.
9. Ibid., 31–33.
10. See Murray N. Rothbard, *For a New Liberty* (New York: Collier Books, 1978 [1973]), 29, and idem, *The Ethics of Liberty* (Atlantic Highlands, N.J.: Humanities Press, 1982), 45–50.
11. Rothbard, *For a New Liberty*, 26–27. Friedman plausibly argues that none of these radical libertarians would have favored capitalism without first accepting arguments about its beneficial consequences. See Jeffrey Friedman, "The New Consensus: II. The Democratic Welfare State," CRITICAL REVIEW 4, no. 4 (Fall 1990): 663–64.
12. A concern for consequences does not necessarily imply that libertarian scholars must follow the specific methods favored by Hayek, Milton Friedman, or Buchanan. I find great value in the work of those trying to complete Rand's project of integrating a classical, Aristotelian view of the good with individual rights. See, for example, Tibor Machan, *Individuals and Their Rights* (LaSalle, Ill.: Open Court, 1989); and Douglas J. Den Uyl and Douglas Rasmussen, *Liberty and Nature* (LaSalle, Ill.: Open Court, 1991). Still, their work would profit from a more detailed comparison of the consequences of absolute individual rights with the consequences of the sorts of constitutional democracy proposed by Hayek, Friedman, and Buchanan.
13. Alec Nove, "Questions for Postlibertarians: Reply to Friedman," CRITICAL REVIEW 6, no. 4 (Fall 1993): 601.
14. Rothbard, *For a New Liberty*, 225.
15. See N. Scott Arnold, "Market Socialism," CRITICAL REVIEW 6, no. 4 (Fall 1993): 517–57.

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16. See Richard Cornuelle, "The Power and Poverty of Libertarian Thought," CRITICAL REVIEW 6, no. 1 (Winter 1992): 8–9. As an analogy, Unitarian libertarians presumably believe that church governance should be decentralized and democratic with little doctrinal uniformity. Catholic libertarians, on the other hand, would favor a more centralized and hierarchial structure of governance, as well as substantial doctrinal uniformity. Yet both advocate freedom of religion. That is, they would oppose using the political process to impose uniform governance or doctrine on all churches.
17. Jeffrey Friedman, "Politics or Scholarship?" CRITICAL REVIEW 6, nos. 2–3 (Spring-Summer 1993): 429–45.
18. Friedman, "Postlibertarianism Is Not Libertarianism," 606.
19. Ibid., 609n6, and Murray N. Rothbard, "Law, Property Rights, and Air Pollution," *Cato Journal* 2, no. 1 (Spring 1982): 63. Admittedly, adding harm as a necessary condition for prohibiting aggression would involve a change in radical libertarian doctrine. Yet it could be easily justified by the methods used by Nozick, Rand, and Rothbard. Nozick could just assert it. Rand could point out (perhaps correctly this time) that it is necessary for human life. And Rothbard could reject prohibiting harmless aggression along with communism and class privilege.
20. See Friedman and Friedman, 213–18. An intermediate postion between that of a mainstream and radical libertarian would be to advocate those methods as a way to immediately discourage pollution, tending to balance its costs and benefits, yet to eventually bring all harmful pollution to an end.
21. Rothbard, *The Ethics of Liberty*, 63–75.
22. Friedman, "Postlibertarianism Is Not Libertarianism," 606.
23. For example, a call for "religious" liberty is unlikely to cause the public in the United States to think that a return of the Spanish inquisition (or a trip to reeducation camps for counterrevolutionary priests) is being proposed. More precise language might be necessary for discourse among historians of political thought.
24. For example, see Hayek, *Constitution of Liberty*, 145 and 402; Friedman, *Capitalism and Freedom*, 12; Friedman and Friedman, 227; and Buchanan, *The Limits of Liberty*, 6 and 15–16.
25. Friedman, "Postlibertarianism Is Not Libertarianism," 608. Friedman, however, does not believe such a project is likely to be successful: see "The New Consensus: II. The Democratic Welfare State," 683–90.
26. David Friedman, *The Machinery of Freedom: A Guide to Radical Capitalism* (New Rochelle: Arlington House, 1978 [1974]), appears to be an example of a postlibertarian theorist who defends radical libertarian "policies" based on a comparative analysis of the consequences of market and political institutions. Jeffrey Friedman (no relation), however, disagrees with my claim that postlibertarianism may be more radically libertarian than mainstream libertarianism: see his "Truth and Liberation," CRITICAL REVIEW 8, no. 1 (Winter 1994): 157n12.

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David L. Brooks

THE PROBLEMS OF POSTLIBERTARIANISM: REPLY TO FRIEDMAN

Jeffrey Friedman presents positive libertarianism as consisting of an objective morality, autonomy, and moral totalism. He then defines postlibertarianism as a consequentialist positive libertarianism. However, Friedman's claim that the choice of moral axioms is unjustifiable, and an equivocation in his use of the term "moral," makes his presentation of positive libertarianism incoherent. Nor is Friedman successful in grafting consequentialism onto positive libertarianism. The autonomy of positive libertarianism renders consequentialism superfluous, and the ends of the two systems conflict, for positive libertarianism judges people, while the consequentialism of postlibertarianism judges actions.

Jeffrey Friedman's version of positive libertarianism, developed in these pages ("The New Consensus: II. The Democratic Welfare State," CRITICAL REVIEW 4, no. 4; and "After Libertarianism: Rejoinder to Narveson, McCloskey, Flew, and Machan," CRITICAL REVIEW 6, no. 1), comprises a number of elements, among which are notions of an objective morality, autonomy, and moral totality. The first of these elements is seen in the description of positive libertarianism:

CRITICAL REVIEW, Winter 1994. ISSN 0891–3811. © 1994 Critical Review Foundation.

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"To refer to positive liberty . . . is to recognize the fact that we would not do what is wrong unless we were compelled to—whether by uncontrollable desires or by a failure to perceive what is right. In a very real sense, according to positive libertarianism, to do wrong is evidence that one's will has been coerced. To do right, then, manifests true freedom."[1]

The very fact that one would not do wrong if one had not failed "to perceive what is right" implies that what is right or moral or good must be perceptible to human beings, else there is no point blaming us for not seeing it. And this morality is "objective,"[2] in the sense of being accessible to all who look, and it is "transcendental."[3]

The morality of positive libertarianism also involves autonomy, for "true freedom . . . includes freedom from what may appear to us as given, or posited: our impulses, our inclinations, the economist's 'tastes and preferences.'"[4] It is clear that if the morality of positive libertarianism is objective and transcendental, it must depend on reason for its discovery, since an empirical basis for such a concept is too weak. Autonomy is the isolation of the will from heteronomous influences so that the will is responsive to reason alone, which, as the instrument through which the moral is found, directs the will aright.

The third element in the morality of positive libertarianism is moral totalism, a morality by which *all* of the actions of individuals are judged: "The modern separation of aesthetic and cultural from 'moral' values is an artifact of the liberal logic" that positive libertarianism disputes.[5]

Positive libertarianism, then, involves an objective and transcendental morality discerned by reason, an autonomy that isolates the will from other influences so that the will may choose the good that reason has discerned, and a morality that governs all our actions.

"Negative liberty," on the other hand, "is freedom from having our wills negated; it is also the freedom to do what is negative,"[6] such that "those who . . . find *intrinsic* value in the freedom to do whatever one wills (as long as one does not thereby infringe upon the equal freedom of others) . . . [are] *negative libertarians*."[7]

Friedman makes two criticisms of negative libertarianism. The first is from the viewpoint of positive libertarianism. The negative libertarian accepts that "it is in the nature of a right (an absence of restraints) that it allows its possessor to do what is morally wrong. The *positive libertarian* asks: *Why should we grant moral standing to the*

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freedom to do what is wrong?"[8] The second criticism is that "secreted within individualism . . . is not only a declaration that there is *some* higher morality than freedom of action; there is also a specific content of that morality: egalitarianism. The same logic that leads me to respect your negative freedom would seem to impose obligations that violate mine. If you are entitled to my respect, why not also to my care?"[9]

It would seem, then, having shown that negative libertarianism is inconsistent, that positive libertarianism triumphs. But Friedman concedes that positive libertarianism, too, has its faults. The principal one is that, in practice, it can lead to horrifying results. Historically, such positive libertarians as Marx "took for granted the desirability of a *moralized* society,"[10] and, in taking as their goal moralizing people, positive libertarians used whatever tool came to hand. But "terror, not to mention pauperization, is hardly consistent with human well-being."[11]

In this situation the response is not to abandon positive libertarianism, but to retain it and to make it more responsive to the consequences of actions. And this is what postlibertarian is: "consequentialist *positive* libertarianism."[12] To continue a quotation begun above, "Because [positive libertarians] took for granted the desirability of a *moralized* society, they lacked the interest or the tools to perform a comparative analysis of the degree to which not moral attitudes but *moral goods* could be produced by alternative social systems. Had they undertaken such comparisons, they would have been, by virtue of that activity, consequentialist social theorists."[13] Postlibertarianism, then, is a positive libertarianism that looks to the moral consequences of actions rather than to moralizing the citizenry.

At least two criticisms of positive libertarian claims of objective and transcendent morals are possible. The first is that it would seem to be incumbent upon those who hold that there is an objective and transcendent morality to produce that morality and the argument that justifies it. But not only is Friedman's presentation of positive libertarianism unhelpfully coy about the content of the moral, at one point the argument seems to be that the choice of morality is unjustifiable and, in that sense, arbitrary. "Systems of morality answer the question of what is right in given circumstances by starting, unavoidably, with axioms that make claims about intrinsically good ends. It is in the nature of axioms that they cannot be justi-

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fied, so selecting which end to prize axiomatically is the hardest choice of all."[14]

This view of morality dictates that fundamental disputes involving choice of moral axioms are rationally unresolvable, and this would seem to be inconsistent with an objective morality. And if that is the case, then positive libertarianism is not privileged over other positions. Positive libertarianism has no grounds for criticizing a suitably axiomatized negative libertarianism, or any other position, because the claim that moral axioms cannot be justified would seem to imply that moral judgments are possible only within a moral system, but not between moral systems. The first objection to negative libertarianism, that having a "right to do wrong" is an absurdity, is illegitimate because the criticism assumes the viewpoint of positive libertarianism. Negative libertarianism's choice of axioms defines right and wrong for that system of morality, and by Friedman's own argument the only legitimate viewpoint from which to determine right and wrong for a moral system is within the system itself. If the axioms define such things, criticism of other positions from a positive libertarian's viewpoint is unfounded. Similarly, Friedman's second objection to negative libertarianism goes through only if the initial choice of axioms does not distinguish among moral equality, legal equality, social equality, and other forms of equality. Only in that case does the egalitarianism that stands behind negative liberty imply an egalitarianism in all respects.

What seems to follow from the claim that the choice of moral axioms is unjustifiable is a radical pluralism in which almost any criticism of other positions can be turned aside. The only kind of criticism that would seem to be legitimate in this situation is a charge of inconsistency: given the choice of axioms, a position may be criticized for failing to draw the correct inferences. But no criticism of the initial choice of axioms is possible.

An attempt to avoid this possibility is apparent in Friedman's argument that "every time one makes a choice, . . . at that instant one effectively concludes that that choice is (objectively) right for any person finding herself in precisely the same situation," for "if I do x rather than y, I judge x to be *better* under the circumstances, and thus objectively *right*."[15] But the rule of universalizability would itself seem to be a moral axiom which does not have to be chosen; and neither its choice nor its denial is capable of justification.

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Positive libertarianism requires objective truth; it requires that its axioms be right and that all others are wrong. It requires that its axioms can be justified, and hence that they can compel our rational assent. But the denial that axioms can be justified undermines the entire argument.

The second criticism of positive libertarianism focuses on Friedman's assertion that "for a community to find a claim persuasive *means* that it attributes transcendent validity to it."[16] What he does not appear to recognize is that, although we must decide for ourselves what is right or wrong in acting, and we must decide for ourselves what is true or false in argument, so that in a sense to act implies "right" and to argue implies "truth," the truth implied may not be transcendental truth, for the transcendental nature of these truths must be shown by separate argument. Moreover, if such positions imply transcendental truth, unless all positions imply the same transcendental truth we still have the problem of deciding which of the putative transcendental truths is the Truth. This problem, I think, is unresolvable, for transcendental truth must stand on extra-empirical grounds, on God or Pure Reason or essences or such, and those grounds would seem to be closed to us. We are still faced with moral and epistemological pluralism. Fixated on positive libertarian transcendent Truth, Friedman's argument assumes that all positions imply the same transcendent Truth, rather than that our positions allow the inference of logically prior propositions, not all of which are compossible.

Autonomy, the second element of positive libertarianism, depends upon reason being able to discern objective truth and on our ability to isolate the will from heteronomous influences so that the will is directed by reason alone. If our access to objective truth is doubtful, as Friedman argued above, one reason for thinking that autonomy is a viable concept is removed. The other reason supporting autonomy, the possibility of radical choice, also deserves attention.

Friedman claims that "true freedom . . . includes freedom from what may appear to us as given, or posited: our impulses, our inclinations, the economist's 'tastes and preferences,'"[17] and this would seem to imply that our impulses, inclinations, tastes, and preferences can be chosen in some radical way.

I doubt that this is really possible. Is every American male capable of enlisting in the military, spending his days in trivial tasks and

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his evenings in the Enlisted Men's Club drinking and talking about sports and sex, and choosing to be contented with that life? Speaking as someone who did enlist in the military, I doubt we are all capable of changing our "tastes and preferences" so as to find such a situation tolerable. (I know I couldn't.)

But if we *can* choose our tastes and preferences, if we really are "creatures who have the power to choose what to 'want,' "[18] then consequentialism doesn't get off the ground. If the morally correct economic system results in "pauperization,"[19] and we are capable of choosing our tastes and preferences, then we should really choose to prefer poverty, and our failure to do so is a moral failure on our part rather than the system's fault. Autonomy, and the radical choice implied in it, does not harmonize well with a consequentialism that looks to "human well-being,"[20] for what we value as well-being, according to the argument, is a matter of choice.

The third element of Friedman's presentation of positive libertarianism, moral totalism, declares that *all* of our actions are subject to judgment according to a moral standard. One must decide "what it is right to do,"[21] and "the positive libertarian view . . . militate[s] against granting any *intrinsic* value to 'neutral' zones of 'moral freedom.' "[22]

Be that as it may, the only extended argument purporting to support the notion of moral totalism conflicts with the objective morality of positive libertarianism. Friedman argues that "any self-conscious human being who is true to his or her experience will admit, I think, that at bottom, he or she never makes a completely arbitrary decision. Thus, although we are trained to treat matters of 'taste' as morally arbitrary, we do think about appropriate ways of deciding even them. *Should* we flip a coin? *Should* we indulge a craving? *Should* we try something new? Each of these decisionmaking criteria implies a certain view of what is good. . . . Each of these criteria can, therefore, be seen as moral."[23]

The trouble here is that there is a clear equivocation in Friedman's use of the word "moral." He had previously used it to distinguish some ends from others, as in "achieving moral ends,"[24] or the "separation of self-interest from morality,"[25] and in many equivalent phrases, such as "the right . . . to do wrong."[26] But in the passage under discussion, "moral" is used, not to distinguish some ends from others, but to distinguish nonarbitrary from arbitrary decisions. When used this way, since the argument is that there are

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no nonarbitrary decisions, there is no possibility of there being immoral, or even amoral, ends.

Friedman's argument purports to show that all decisions are moral decisions, for all decisions are nonarbitrary (because, presumably, only arbitrary decisions would allow a zone of moral neutrality). This may be true, but it conflicts with other uses of "moral," and these uses are necessary for positive libertarianism, since positive libertarianism involves an objective and transcendent morality: a morality that judges the ends sought and distinguishes them according to what is "moral" and "immoral," "right" and "wrong." The argument under discussion conflicts with this fundamental distinction that underlies positive libertarianism, for it implies that all ends are moral in that all ends are achieved through actions that were arrived at through nonarbitrary decision procedures. The argument that supports the moral totalism of positive libertarianism is inconsistent with the argument supporting the objective morality of positive libertarianism.

Besides these criticisms of the presentation of positive libertarianism, postlibertarianism as a consequentialist positive libertarianism is vulnerable to two further criticisms. The first is that the consequences that matter for postlibertarianism are moral consequences, for what the postlibertarian is after are "moral goods."[27] This, at any rate, is Friedman's position on page 656 of "The Democratic Welfare State." But somewhere between pages 659 and 660 of the same article, morality gets lost, and the end of postlibertarianism becomes, not moral consequences, or the fulfillment of our moral obligations,[28] but "comparative effects,"[29] or "the common good,"[30] or "the well-being of the greatest number of people."[31]

Friedman argues that "the hostility to the welfare state displayed by contemporary 'libertarians' is unwarranted—unless they return to the original orientation of free-market thought and develop an empirical critique of the modern state. . . . This would mean proving the sort of claims that actually lie behind most a priori 'libertarians' convictions: namely, claims about the good effects—economic, political, social, or cultural—of a society of unfettered private property. I called the pursuit of this consequentialist agenda—regardless of whether, in the end, it sustains laissez-faire conclusions—*postlibertarianism*."[32]

But this characterization presents a major problem for postlibertarianism. As a consequentialist positive libertarianism, it assumes

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the existence of an objective morality which ought to govern all our actions, but as a call to a research program, it speaks only of the "good effects—economic, political, social, or cultural," of a particular view. These "good effects" are not the same thing as the moralization of positive libertarianism, or even the "moral goods" of postlibertarianism, or at least, such an identification cannot be made without specifying the content of objective morality and then showing that the "good effects" are part of that content. But in the absence of such an argument, there is an inconsistency here.

Second, it is not clear how the move from positive libertarianism's "moralization" to postlibertarianism's "moral goods" is going to be made while retaining the other elements of positive libertarianism. Positive libertarianism is directed toward producing morally good people. Postlibertarianism is directed toward producing "moral goods," or toward having people fulfill their "moral obligations." But the difference between the two approaches could not be wider. Positive libertarianism seeks morally good people regardless of the social, economic, political, or cultural consequences; postlibertarianism seeks the fulfillment of our moral obligations, even if we are not morally good people. How is the gap to be bridged?

The three elements of positive libertarianism are consistent when the goal is moralizing people. An objective morality is discovered by reason; autonomy allows the will to be governed by reason in choosing the moral; and moral totality dictates that morality govern all of our actions, for, after all, the goal is to be a morally good person, and morally good people are moral all of the time.

But postlibertarianism, in choosing objectively good consequences as its goal, renders the last two elements of positive libertarianism superfluous. Both positive libertarianism and postlibertarianism share a notion of objective morality, but while positive libertarianism looks to people *being* moral, postlibertarianism looks to people *acting* morally. This consequentialism means that autonomy is superfluous, because producing good consequences does not necessitate that we isolate the will from heteronomous influences (fear of punishment or the lure of pleasure, for instance), but only that such influences incline the will to choose actions that lead to good consequences. And since postlibertarianism is not concerned with the moralization of people, moral totalism is not necessary. The moralized person must judge *all* her actions *at all times* by the standard of morality, but if the object is simply to act to pro-

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duce moral goods, the area of relevant actions is more circumscribed. Not all self-regarding actions, for instance, affect the fulfillment of our moral obligations or produce moral goods, and those self-regarding actions that do not are not subject to moral judgment under postlibertarianism's morality.

This raises the question of why postlibertarianism is characterized as a type of positive libertarianism. The moralization that is the goal of positive libertarianism renders consequentialism superfluous (which is why positive libertarians are not consequentialists), and a consequentialism that seeks moral goods independently of the moralization of people is not compatible with the moralizing morality of positive libertarianism (which is why such consequentialists are not positive libertarians). The attempt to turn a moralizing positive libertarianism into a consequentialist postlibertarianism founders on turning the objective morality of positive libertarianism, which judges *people*, into a consequentialist morality that judges *actions*. The only thing the two systems have in common is an objective morality; but it is not the same objective morality, and that makes all of the difference.

* * *

Positive libertarianism, conceived as a system that seeks to moralize people, and comprising a claim to an objective morality, autonomy, and moral totalism, may be internally consistent. But when an objective morality is paired with an argument about the unjustifiability of moral axioms, and moral totalism is supported by an argument concerning moral choice that equivocates on the use of "moral," positive libertarianism becomes incoherent. And when the moralizing tendencies of positive libertarianism are eliminated and a consequentialism is put in their place, the other elements of positive libertarianism become superfluous. Postlibertarianism cannot be a coherent consequentialist positive libertarianism, and it is misleading to characterize it in that way.

Postlibertarianism needs serious rethinking. It cannot be a variety of positive libertarianism. Nor can it be a variety of the inconsistent negative libertarianism justly criticized in "The Democratic Welfare State," or any version of negative libertarianism at all. But if it is to be "an empirical critique of the modern state,"[33] neither variety of libertarianism will do.

It has been clear for some time that orthodox libertarianism is

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unable to do the job its supporters wish. I hope I have made it clear that trying to turn positive libertarianism to consequentialist ends will not work either.

NOTES

1. Jeffrey Friedman, "The New Consensus: II. The Democratic Welfare State," CRITICAL REVIEW 4, no. 4 (Fall 1990): 639.
2. Jeffrey Friedman, "After Libertarianism: Rejoinder to Narveson, McCloskey, Flew, and Machan," CRITICAL REVIEW 6, no. 1 (Winter 1992): 130.
3. Friedman, "Rejoinder," 140.
4. Friedman, "The Democratic Welfare State," 639. See also Friedman, "Rejoinder," 132–33.
5. Friedman, "Rejoinder," 128.
6. Friedman, "The Democratic Welfare State," 639.
7. Friedman, "Rejoinder," 114, emph. in original.
8. Friedman, "The Democratic Welfare State," 639, emph. in original. See also Friedman, "Rejoinder," 114–15.
9. Friedman, "The Democratic Welfare State," 640–41, emph. in original. See also "Rejoinder," 115–16.
10. Friedman, "The Democratic Welfare State," 656, emph. in original.
11. Ibid., 659.
12. Ibid., 688, emph. in original.
13. Ibid., 656–57, emph. in original.
14. Friedman, "Rejoinder," 130.
15. Ibid., 130, emph. in original.
16. Ibid., 140, emph. in original.
17. Friedman, "The Democratic Welfare State," 639.
18. Friedman, "Rejoinder," 133.
19. Friedman, "The Democratic Welfare State," 659.
20. Ibid., 659.
21. Ibid., 641.
22. Friedman, "Rejoinder," 127–28, emph. in original.
23. Ibid., 128, emph. in original.
24. Friedman, "Democratic Welfare State," 654.
25. Friedman, "Rejoinder," 121.
26. Friedman, "The Democratic Welfare State," 639.
27. Ibid., 656.
28. Ibid., 659.
29. Ibid., 660.
30. Ibid., 670, 676.
31. Ibid., 675.
32. Friedman, "Rejoinder," 117, emph. in original.
33. Ibid.

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Raphael Sassower and Joseph Agassi

AVOIDING THE POSTS: REPLY TO FRIEDMAN

The ill-named debate between postmodernists and postlibertarians should be transcended; this requires the abandonment of both foundationalism and its converse, without abandoning common sense as well (which is no mean trick). Similarly, the debate over "minimal statism" versus the planned economy is outdated. Instead of claiming to be in possession of foundations of our scientific-cum-political knowledge in broad terms, and instead of severely limiting our knowledge to given proofs, we offer the putative heuristics of critique in general and the critical evaluations of contexts in particular.

The professionalization of intellectuals in the academy and the specialization imposed on them have created a major change in the intellectual style of the age. Notoriously, the new style inhibits cross-disciplinary and even cross-school exchanges of ideas and hence cross-fertilization. Efforts are repeatedly made in the academy to overcome these obstacles, and the repetition of these efforts is the clearest sign of failure. When interdisciplinary programs are launched, they are the first to be truncated or eliminated—because

CRITICAL REVIEW, Winter 1994. ISSN 0891-3811. © 1994 Critical Review Foundation.

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their legitimacy is always a priori denied, and the denial is corroborated by their lack of success, as (mis)measured by the very criteria that usually bar their implementation in the first place.

The fragmented situation described here is obviously unfortunate. In its light it is a welcome reprieve to find any opening for a debate that might bridge discursive gaps between academically established disciplines. How is it that postmodernists on the so-called radical left are brought to the same round table with postlibertarians on the so-called conservative right? Is this "round table" to follow Habermas's goal of rational discourse within an ideal speech community?

Let us be slow in deciphering the concerns brought to the round table and the manners of the knights errant who are to sit around it. Both postmodernists and postlibertarians are invited to a round table. Why is the table round? In world politics it is round to signify that there is no one in the chair, that it is an exchange among equals. But in the intellectual world this is taken for granted anyhow. The roundness of the table here is more significant than that. One could claim that, having no edges, a round table is less dangerous to those who sit by it. By the same token, the edgelessness of the round table prevents the perception of limits and borders; one corner or extreme runs into another, blurring heuristic dichotomies. The round table may turn out to be helpful to those who claim that egalitarian rules of conduct not only should disallow anyone a privileged status, but also, and more so, that the seating around the table should disallow direct confrontation. In the context of an intellectual gathering, perhaps the round table metaphor, despite its Eurocentric diplomatic overtones (why not sit in the open, say, at the foot of a tree?) is perceived as less threatening and more inviting. There are few, though, who would dare convene two groups such as postmodernists and postlibertarians. Do they share the same etiquette? Would their gastronomy allow any agreement concerning a menu?

There is a severe quandary here. In order to see what is the possible menu at the round table we need to get out of the quandary by asking what brings the two parties to the round table to begin with.

The first answer is this: The gathering of differing groups around the table is due to their being not as different as they seem. The designation "post" is always suspect, as even some proto-

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postmodernists readily admit.[1] For, to be a postmodernist, they concede, is not to relinquish modernism. The intertwining of modernism and its various critiques dates back to the Romantic reaction to the Enlightenment(s); the two labels "Enlightenment" and "Romanticism" designate a variety of texts about the role of reason and of rationality as well as of the emotions and the imagination (one of the many dichotomies set up in the nineteenth century) in human affairs: the Romantics claimed for the emotions and for the (creative) imagination what the Enlightenment took for granted to be the domain of reason alone. The sharing of the round table, then, is explicable as the result of a common predicament, making postmodernists and postlibertarians similar enough to suffer the same sort of criticism. The set of antecedents for postmodernism has its parallel in the set of antecedents for postlibertarianism, in the story of liberalism and libertarianism and their attendant critiques and in the critique of the various versions of utilitarianism, from classical laissez-faire capitalism to socialism.

The parallel between postmodernism and postlibertarianism is attitudinal, and it has its historical roots. Most important, perhaps, is the historical binary polarization of attitudes regarding the role of individuals in society: the liberal insistence on the supremacy of the autonomy of the individual versus the collectivist appeal to the individual's need for social (national) roots. We mention the parallel historical roots of postmodernism and postlibertarianism in order to illustrate how relatively easy it is to dismiss any claim for novelty in broad intellectual discourse and to find historical precedents everywhere. Various reductionist moves have been offered to show that indeed we are all parts of the same intellectual tradition, say, that of the ancient Greeks (everything is reduced, in Whitehead's famous adage, to footnotes to Plato), which polarized the truth by nature against the truth by convention. Finally, it is possible to claim in a quasi-reductionist sense that regardless of differences, we are all committed to using similar discursive principles (logic and good faith) and to pursuing shared goals (love and happiness), perhaps stemming from shared presuppositions. Here, then, is one way to resolve the quandary about getting postmodernists and postlibertarians to the same round table: their table manners would be comprehensible to all concerned and their menu would not cause digestive nightmares.

Alternatively, one may explain the invitation to postmodernists

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and postlibertarians to share a round table thus: the sheer power of an individual—in our case the editor of CRITICAL REVIEW—can bring about such a gathering as if by fiat. While titling his lead article "Postmodernism vs. Postlibertarianism," he says quite bluntly: "CRITICAL REVIEW is a journal of libertarian ideas—in the sense that it encourages the most rigorous criticism of those ideas in order to see what, if anything, is left standing afterwards. Its goal is in part to critically review the evidence and arguments for and against libertarianism" (Jeffrey Friedman, "Postmodernism vs. Postlibertarianism," CRITICAL REVIEW 5, no. 2).[2] One can take issue with Friedman's undefined but powerful stance (what counts as "evidence"? what criticism counts as "rigorous"?), or with the partisan pronouncements of his opening salvo. One can wonder why Friedman chose to juxtapose "postmodernism" to "postlibertarianism" in the first place. Is this a gesture of inclusion, or is it a gesture toward contemporary fads and fashions that have privileged postmodernism as an indispensable license for certain intellectual output? Is Friedman engaging postmodernism in order to ridicule it? ("On evidence presented here," he says, "the postmodern turn is worse than a dead end.")[3] Or is he taking the opportunity to pursue his own agenda and incidentally liberate postlibertarian discourse from having any truck and barter with postmodernism? ("If there is to be a postlibertarianism," he says, "it will have little to do with postmodernism.")[4] Or perhaps is he only interested in the inner problems and difficulties inherent in "minimal statism" and wishes to formulate his proposals to revamp that doctrine in the face of "the postmodern turn"?

Friedman has invited any interested party to the round table. We declare ourselves an interested party. We accept his challenge and his encouragement to respond. We find one thing clear, however: by the power he has to invite anyone to his round table he can also determine the seating, the rules of conduct, and the menu. Few intellectuals in the academy are granted such power or can usurp it. We need not get into the question, under what conditions is the power of intellectuals legitimate? This question requires another discourse. We should briefly mention, though, that whatever we say here presupposes answers to the question of intellectual power, the power of academics and of academic leaderships: what are the rules of wielding power and controlling it? Is the intervention (legitimate or not) of leaderships and constituencies in the debates

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of disciplinary gurus, mavericks, and pedestrian spokespeople of the establishment to be encouraged or not? It would be silly to judge Friedman's powerful invitation as a mere power play, since his intentions might be honorable and his goals valuable. In any event, we are neither his father confessors nor his psychotherapists; we are less interested in the motives of his invitation and more in its context—and still more so in the potential it holds for developing the standards of academic honesty. Our position is at once both relativistic (relative rationality, context-bound evaluation, skeptical criticism) and fallibilistic (allowing for mistakes and opening up paths that had not been prefigured, rendering the situation still more open-ended).

Regarding the power of individuals and of institutions to convene meetings and dinner parties, then, we concede: the power is apparent. Moreover, anyone who wields it does so by right, and we can only hope, with good results. We concede further: one should not prima facie reject this power or dismiss it as insidiously invasive, coercive, and/or brutal. Instead, we suggest (perhaps in disagreement with Foucault) that the recognition of power roles is benign, that the acknowledgment of any power play as such is positive, and that the evaluation of the usefulness or harm of power plays—the acknowledgment that they are hazardous—is better undertaken within particular contexts than in abstracto (which is a huge concession to poststructuralism and postmodernism, incidently). This initial admission of ours, we hope, should help distinguish between Stalinism and the New Deal, between vicious dictatorships and possibly benign charismatic leaderships, between democratic representative governments and pseudo-democratic populism.

For our part, we are picking up Friedman's gauntlet not because of his power but despite it, paradoxically forwarding our response to his powerhouse, "his" journal. Will he acknowledge our (possibly provocative, we are not to judge) response to his own provocation? Will we pass his threshold of "rigor," "evidence," and "argument"? Or are these mere buttresses to his citadel, his ivory tower? Are we employing his rule or our own? Is there neutral ground where we are all equal—at least in this specific discourse? Should we appeal to an arbiter, a third party? Will anyone else care to play an arbiter in dialogue? Will both parties recognize the proper arbiter? If we knew the rules of arbitration, we might then dispense

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with the arbiter altogether, perhaps. We do not know how to render our stance more open-ended than that.

A third possible explanation for the shared table of the postmodernists and the postlibertarians is the one we (and possibly Friedman, too) favor. Perhaps it is reasonable and even prudent to get these two groups, perhaps also many others as well, to talk to each other, to learn from each other's mistakes. Perhaps the force of this persuasion is that as responsible academics we have no choice in the matter: as intellectuals who care about ideas, principles, and the alternative implementation of these ideas and principles within the social matrices in which we live and work, we can only try to convene. If we—any and all of us—remain academically isolated from each other, then we are bound to agree with members of our own groups only and thus our ideas will of necessity turn into dogmas (almost like the idealized consensus situation favored by vulgar disciples of Habermas). If we remain isolated in our small milieux, then indirectly and unintentionally we lend more power to the status quo, to the privilege of the establishment, to the gross mainstream, to the hegemonic hold of dominant ideology over the intelligentsia. As splinter groups isolated from each other we reinforce our own marginalization. What other options do we have?

To avoid the double dangers of dogmatism and marginalism, we submit, there is a feasible alternative: the interactive and critical engagement of different groups, of self-educated guardians of contested standards. To begin with, such an interaction may open new horizons, inspire the newly initiated, and foster alliances (personal, intellectual, and political) that might destabilize the establishment and replace social stability with democratically fluid contests. Only under such conditions does a future different from the past have a fighting chance; such conditions, then, also offer a present in which it is worthwhile to fight for a better future.

For ourselves, we ask for nothing better than a contest by the book and in good faith, preferably also in good humor, qualities we aspire to exemplify in this reply. We have different views on many things, yet we enjoy debate and collaboration. No, we are not gentlemen of leisure taking long walks in the forest. For better or worse, we are intellectuals by choice, professional academics by necessity, and skeptically fascinated by both postmodernism and postlibertarianism. We are not committed, card-carrying members of either "ism." Of course our backgrounds are relevant to who we

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are and what we say; but we view our histories as starting points, not end points, and hopefully not as dead ends. It is with this open-ended attitude that we sit down to the round table. Our own attempt may be relevant in the present context to the extent that collaboration among academics, especially in the humanities, is still fairly rare, for it requires trust and patience, intellectual exposure and personal courage to face intellectual risks. We admit all of this here to explain Friedman's valiant effort to bring together postmodernists and postlibertarians.

The Terms of the Debate: On Proofs

When postmodernists and postlibertarians are brought together to a joint meal, what menu do they expect? The moldy dishes of their predecessors, or is something more appetizing available? Will the new clash with the old? This last question is outdated: the clash has already occurred—the taboo on politics in the academy has been broached. For our part, we applaud the attempt to politicize the party, by insisting, for example, that the invited guests debate critically the aftermath of "minimal statism." This would be a good assignment, sufficiently definite and controversial. But a definite assignment is not enough, though it may serve as a means for raising efficiency in group dynamics. Hence, we maintain that despite contrary claims, postmodernists and postlibertarians are politically inclined, have political aspirations, and inevitably find themselves politically constrained.

Recall the debate between Derrida and Habermas (with McCarthy as Habermas's representative) at the 1988 American Philosophical Association's Eastern Division meeting.[5] It is easy to overlook the political character of discourses when one defines "the political" in the narrowest sense, as political institution proper (as Habermasians tend to do). In that debate the choice of agenda was political, but inconspicuously so: the choice was the interpretation of Aristotle's notion of friendship. It is already a political choice, selecting a politically preferred item in a politically preferred canonical text for discussion by politically chosen keynote speakers at a key professional conference. Derrida's choice in that meeting contextually privileged the importance of concrete friendship over universal, abstract principles of (ethical) conduct.[6] We take this

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debate—one conducted at cross-purposes, the two parties insisting on their respective discourses—to be indicative of the pervasiveness of the political dimension in intellectual activity in general, and, more so, of how easily this pervasiveness is overlooked.

In a similar vein, the libertarian idea of the free market as politically neutral is erroneous: its mentality is politically grounded and its implementation requires political force.[7] Whether this realization takes Milton Friedman's Chicago-school route of "voting" with one's pocketbook or the classical Humean-Smithian route of a minimal level of state intervention in economic affairs, no one doubts that the term "political economy" conveys what libertarianism connotes better than "neutrality" does. As Michael Banton has observed, every human interaction has its political, its economic, and its psychological aspects. We call an encounter political, economic, or psychological if its major aspect is political, economic, or psychological, respectively. The definition depends on the specific situation and context within which these aspects are delineated and measured.[8] Postlibertarians, then, no less than postmodernists, are politically constrained—their claims to be free intellectuals observing the intellectual ban on political engagement notwithstanding.

We say, then, that the postmodernists and postlibertarians are both politically committed, that their politics brings them to the political arena, and that they arrive there for a political debate. This may sound redundant or facile. Therefore, perhaps, we should also speak of the political meeting point as an epistemological constellation of ideas and transitions, agreements, and disputes. This holds for any party sitting at any round table, not just a political one, be they diplomats or lovers, families or strangers. By epistemological we mean those discursive moves that can be articulated publicly, that can be known. For, in a definite sense we are what we know ourselves to be. How, then, can we change? We can change because we know that we have options to change into, potentialities that are already present and known to us. Epistemology in this sense has neither beginning nor end, only historical segments open to us, segments that we interpret at different ages, similarly or differently, according to particular needs or wants, and according to past changes or their absences. This is not to say that there is no difference between a meal shared by Lyotard and Hayek and one shared by Smith and Marx; rather, this is to say that the sharing of meals is not undertaken often enough, or, if undertaken at all, it remains the

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purview of aristocrats who presume that their social status and wealth, not their ideas or convictions, constitute sufficient grounds for friendly exchanges, and that these exchanges can comfortably presume a uniformity of dietary tastes and restrictions.

The exchange on which we focus here is not that of flag-waving political parties or the unity flag of an organization such as the United Nations, but rather that of the (mis)communication of disputants whose epistemological comprehensions and apprehensions are significant. It is not surprising that the deepest variance is the most abstract, also that it concerns not contents but credentials. The deepest, most abstract ideas about credentials are epistemic: when do we know? Under what conditions are items of information incontestable and thus obligatory on all parties? The idea that there is such a situation, that in some cases credentials are so strong that the rubber-stamped items are obligatory for all, and, indeed, that this idea is itself the strongest one is called (classical) Rationalism or Foundationalism or Justificationism. From this most abstract epistemological issue there is but a short step to politics, since classical views about the role of the state in human affairs were similarly taken to be obligatory. Let us briefly survey this matter.

There is an erroneous tendency to distinguish as sharply as possible the foundationalists from the antifoundationalists, with the first party holding the view that no theory should be endorsed until it is fully grounded on a firm foundation, and the second party claiming that all ideas and theories are endorsed relative to the contexts within which they are developed and no more. Perhaps a more appropriate way of distinguishing between the two parties is to close the purported distance between them: while members of the one party are committed to permanent foundations—universal, abstract, and general, like the Ten Commandments or the reality of gravity—members of the other party are committed only to temporal foundations, that is, to foundations that are fixed only in particular contexts and for particular reasons. The distinction, then, is not between claiming to have and not to have foundations for one's views, since such foundations are necessary to sustain the very possibility of using the rules of grammar or logic for simple discursive moves, but between those granting too much or not enough to foundations, between making strong and weak appeals to foundations.

Between these two views the major dispute dissipates at once.

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Arbitrarily asserting any idea that comes to mind is usually not permitted, at least not while sitting at a round table, and definitely not when the discussion may have grave political consequences. By common sense, then, some appeal to some foundations some of the time is indispensable. It is an empirical observation, scarcely ever contested, that arbitrariness, especially during a dialogue, is at once dismissive of one's counterparts at the table and privileges those who come to the table with power (real, feigned, or fancied). Such conduct thus can justly be dismissed as evidence of unbecoming levity. Declaring one's views unshakable and final, one's position utterly and on principle non-negotiable, is almost equally jocular and is obviously an expression of power (real, feigned, or fancied). If we all agree that common sense foundations are commendable and not imposing, then the debate can be launched.

Perhaps we should transport the debate into the realm of the sciences. To have a foundation, a basis for dispute, means to have agreed-upon or shared principles by which to adjudicate between contesting parties. The issue, as one can imagine, is ultimately about truth, and nothing less. This is the concept of the absolute truth, of Truth with a capital T, of course, the one and only, the one intuited first by divine revelation, and later divined through the strictures of scientific investigation. In this context, to speak of foundations is to speak of proof: showing what are the ultimate grounds for consenting to one's opinion, one's theory. Proof, then, is the means by which we move from revelation to science with minimal change. Like the priests of the good old religion, the spokespeople of science are authoritative and their positions are non-negotiable.

Postlibertarians are loath to give up science, so they are loath to give up the absolute truth, the Truth with a capital T, and so they open themselves to the charge of dogmatism. Postmodernists, conversely, are willing to give up the very notion of the absolute truth, and with it the classical aspirations of science altogether. They inevitably open themselves to the charge of irrationalism and arbitrariness.[9]

This problem can also be dissipated before the round-table dialogue begins. The notion of absolute truth, of Truth with a capital T, is innocuous in itself; it is the notion of proof that gives it its dogmatic air. Not the absolute truth but our insistence that we possess it is the source of dogmatism. It is all too often claimed that

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this insistence is not dogmatic in case we have proof. The notion of the absolute truth receives all the blame and the notion of proof lies neglected. But what is proof? Were the postmodernists to allow the notion of the absolute truth (not necessarily to endorse it, just to allow it), while denying any proof the finality of the proven that would render it an absolute truth, then the dilemma would be overcome at once. But the notion of (a putative) proof is a priori much more vulnerable than the notion of the finality that allegedly goes with it and has already been achieved: there is no need to attack the notion of the absolute truth unless someone claims to possess the (absolute) proof of how this truth is attainable here and now, but the notion of absolute proof is facile if no proof is claimed to exist absolutely (here and now). This caveat admits proofs in courts of law, for example, without granting the courts the status of infallibility, so that an appeal is always possible and is so in principle.

The situation regarding the classical claim to be in possession of absolute proofs is really rather funny. Commonsensical proof is unproblematic and decidedly does not entail absolute truth, whereas the proof that does claim to absolutely establish the Truth is mysterious. It is claimed that obvious examples of such final proofs are at hand, and for 25 centuries thinkers have offered instances of how the finality of the truth has been achieved through final and absolute proofs. Most instances turn out to be defective, to be excessive claims for the final establishment of some Truths, still with capital Ts. But this is not the full extent of the traditional error: the misapplication of a tool (proof) is no argument against its usefulness (for attaining truth). The question is, what is the tool and when is its application proper? Oddly, though the tool has existed for 25 centuries, it was first examined only half a century ago, with the inception of proof theory. And to date, what proof theory tells us is that almost all claims to have the absolute proof of the final and absolute truth are exaggerations: proper proofs of the Truth never transcend the limits of logic.[10]

Thus far we have related the debate over foundations to the question of truth, putative or absolute, and argued that in order to discuss either concept of truth we must pay attention to the (methodologically potent) concept of proof. Proofs come in many varieties, some accompanied by claims for absolute certitude (mathematically grounded, logically principled, or statistically averaged),

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some with less pretense. As far as common sense is concerned, proof comes with standards that are socially and legally recognized: the standards for journalistic proof are lower than those for prosecutorial proof, and so on, with the standards for proof of capital offenses naturally being the highest. Even in courts of law and in capital cases, the expectation is never of finality, and that makes irrelevant the question, is truth absolute? The entire debate on capital punishment revolves around the confusion over the claim for infallibility.

Scientific proofs, which dictate the solutions to the problems posed by society as a whole, are no mere (neutral) instruments. If we agree commonsensically that all proofs are inherently putative, then there is no reason to shield them in principle from criticism. Once scientific proofs are prone to critical evaluation, the very scientific truth that is claimed in their name is open to criticism as well. Here, then, we are faced with the entire (Western) history of the notion of critique, from Socrates' dialectics to Marx's and beyond. Criticism is in principle always permissible, even though not in principle always wise. We do not intend to formulate the rules by which criticism should or should not be undertaken, nor even to endorse the claim that such rules exist. In particular, we deny that science (with its truths and proofs) is beyond criticism. We wish to contend that since all scientific truths and their attendant proofs are putative at most, it stands to reason that incessant vigilance is incumbent upon self-respecting intellectuals, may they claim for themselves scientific status or not.

Of course, just as scientific truths and proofs are open to criticism, critique itself, as well as its tools, should be open to self-evaluation. It is a fact that critique has evolved and has seen dramatic revolutions throughout the centuries. Therefore, it behooves critics not to claim a privileged position. We have accepted Friedman's invitation to act as critics around the table, with the intention of transcending all extant posts. We claim no absolute authority; we hope that our presentation will prevent other discussants at the round table from confusing absolute truth with absolute proof, and we propose to them that they should relinquish only absoluteness-here-and-now. This, we suggest, will change the debate in two ways: first, it will make it more amicable and less rancorous, and second, our correction of one capital error or confusion may pre-

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vent a future discussion from repeating itself or reaching a dead end. Let us illustrate this possibility in brief.

The Agenda for the Debate: The Optimal State

The alleged debate between postlibertarians and postmodernists may be characterized in a variety of ways and may inadvertently bring up a variety of seemingly unrelated, implicit presuppositions, as we have illustrated thus far. It is in this respect, then, that we have attempted to facilitate the meal by discussing table manners and the menu. Perhaps now we can begin a more specific examination of the particular aspects of the agenda posed by Friedman, namely, the critical evaluation of the notion of "minimal statism," to use his words. Only a few preliminaries still invite articulation.

The abstract epistemic discussion here illustrates our contention that political theory is philosophically loaded, that the load is of extreme positions, and that extremism is rooted in foundationalism and in extreme reactions to it; thus, we propose to shun extremism in favor of criticism. If criticism is the accepted norm, that is, accepted as the means by which ideas and communication are exchanged across the round table, and by which all participants open up to others and are expected to be open to the possibility that competing views are preferable, then we may avoid talking at cross-purposes and defending defunct positions. One may think this proposal naïve or utopian. But intellectual naïveté and utopianism are preferable to nastiness and coercion. At least it is worth trying. Besides, the posture, perhaps it is only a gesture, directly addresses the question of academic power and the power of intellectuals, and at least in this respect it avoids both pretense and cynicism.

To say that every political theory and view has an inherent epistemological component does not diminish the importance of dealing with the social, economic, and political nature of theories and views. The epistemological move must take place, but it is only one move among many, to which the others cannot be reduced, and therefore it is incumbent upon us to shift the discussion now to the specific agenda initially introduced by the libertarians under the rubric of "minimal statism" and still debated by postlibertarians.[11] Whether the views are liberal or modern, socialist or Fordist, post-

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libertarian or post-Fordist, the agenda is still polarized by the opposition between liberty and equality. It goes without saying that we would all like everyone to be in full possession of both absolute liberty and absolute equality. The biblical promise that we are all equal before the Lord and that we have the freedom to roam the Garden of Eden and do as we please has been truncated by religious doctrines, yet it is still emulated by modern state constitutions. We are all presumed to be equal before the law and free to do as we please as long as we harm no one else. The more we juxtapose the two absolute requirements of liberty and of equality, the more we realize that they must be compromised.[12] Absolute equality hampers individual liberties (for instance, one's liberty to acquire more property, more status, or more knowledge than one's fellow citizens); similarly, in the absolute freedom to pursue our goals we may erase any initial equality we shared with our fellow citizens. Thus, the requirement for absoluteness has been reduced, and nowadays liberals speak the language of equal opportunity (not absolute equality) and constrained liberty (not absolute freedom).[13]

This brief comment suffices to explain the need to avoid the extremes of absoluteness. Compromise is one way to reduce the tension associated with extremes. The avoidance of extremes is a practical need, not a theoretical requirement. In this respect, extremes resemble Weberian ideal types, which are said to be heuristically significant but no more, that is, they are not ontological commitments. Sadly, the inapplicability of the ideal type to reality *tout court* is all too often forgotten. This is why most debates, including the one we are focusing on, quickly turn into quibbles about the endorsement or rejection of extreme positions in the realm of practice, though these positions do not belong to practice to begin with. Whether or not this situation comes about intentionally is quite irrelevant here; what should be stressed is the advisability of avoiding such situations in favor of recognizing that in practice binary oppositions must be transcended whenever possible, much as they are still of great value abstractly.

So, too, it is advisable to transcend the language of absolute rights, absolute equality, and absolute liberty—even while theorizing. Once this transcendence is granted in principle, it can be mobilized in practice through the process of reiterated critique, in which one no longer claims absolute truths or absolute proofs, but only tentative evaluations of all claims. Perhaps this will seem redun-

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dant, for it is sheer common sense. Still, the binary opposition between theory and practice (and the multiplicity of attempts to overcome it) should be recognized first—especially when people sit around the table for a meal, an activity that is simultaneously verbal/theoretical and digestive/practical—so as to suggest heuristics through which to overcome it. So let us proceed.

Smith's and Marx's views concerning the role of the state depend more on their understanding of the marketplace (feudal, mercantile, or capitalistic) than do Hegel's. All three agree, though, that an historical development of the notion and attendant practices of the state has taken place over time. The very historical character of this development seemed to them to be a mode of its validation. This is an error, however. The history of modern thinking about the state, however deconstructed and reconstructed, exemplifies various systematic and persistent errors. The main (or only) role of the state has been characterized as that of preserving individual (self-serving and legitimate) rights, while empowering an entity to control (legitimately usurp and dispense) civil rights. Having undermined and superseded the authority of God and king (i.e., the traditional forms of political organization) while conceding the political power that is associated with wealth, one solution that has seemed reasonable since John Locke has been the idea of a social contract. Anyone has the right (not the duty) to enter this freely undertaken contract; everyone who obeys the terms of this contract does so willingly; and, most important, this contract benefits everyone who upholds it.

Now the idea of the social contract may explain how minimal the role of the state should be: its sole task is to preserve the letter and spirit of the contract and punish those who violate it. The state is the guardian of the contract that is undertaken between individuals, and the terms of the contract involve the state only as the party that enforces it. Under these terms, the state (and its representatives) cannot intervene beyond a certain point, and that point is open to public scrutiny and debate. While the abstract idea of the social contract (e.g., Rousseau's) is so broad as to encompass, for example, political models as diverse as anarchism and socialism, liberal democracy and dictatorship, and tribal and postindustrial societies, most nineteenth-century social contractarianism (e.g., J. S. Mill's) is understood in the twentieth century to be libertarian. Such theories exhibit the urgent need to limit the role of the state.

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To talk about minimalism is another way of saying, along with E. M. Forster and Karl Popper, that the state is a necessary evil.[14] But is it really necessary? And how evil is it after all? Instead of answering these questions, we would like to offer a proposal in the style of the present discourse; we would like to avoid extremes. We therefore propose that the designations of "minimal" and "maximal" state should be replaced with the designation "optimal" state. This sounds like a cheap escape, and perhaps it is. Nonetheless, it may work. We wish to employ this change as means for the introduction of a whole set of political equations that comprise more variables and scope (social and linguistic institutions and/or their aspects), economic, social, and even cultural.

The optimality we propose by definition should stay fluid: at different times and for different reasons there can be more or less state intervention (and intervention by other powerful institutions). This means that in some situations, say, civil war, state intervention is inevitable, while during peaceful periods it should be minimal. Likewise, the redistribution of wealth and income makes more sense and will be more efficient under certain economic conditions than others. The threat of war and the threat of accumulation of wealth (whether they happen simultaneously or not) pose different sets of cultural variables under which public decisions and personal choices concerning state intervention take place. To say in absolutist manner, "No state intervention whatsoever!" is irresponsible, we can commonsensically agree, especially in cases of environmental emergencies, such as floods and hurricanes.

The optimality of the intervention (and the choice of the institution responsible for it) can be measured with different yardsticks at different times: nothing is permanent, and so the means we use are always transient. The ground shifts continually, we propose, under critical scrutiny (whether by the prompting of postmodernists or not). Our plea, then, remains quite modest: instill into this (and any other) academic debate (and into the general culture too) a critical attitude so that the optimality of any state intervention is contextualized and open to debate. This plea is blatantly political.

As committed and hungry intellectuals, we hardly began the meal, but at least we are seated at the table. This, incidentally, is no mean trick, considering the state of affairs in the international arena and in the commonwealth of learning.

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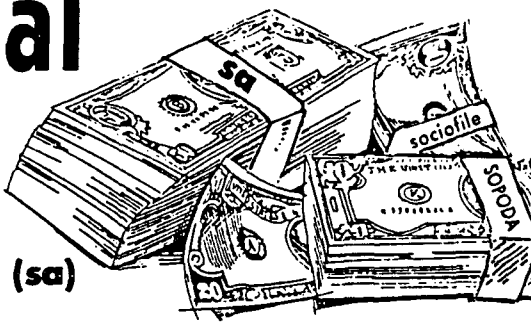

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"INSTINCTS INTO SACRED COWS": ARE HERMENEUTICAL UNIVERSALS *REDUCIBLE* TO AGREEMENT? REPLY TO FRIEDMAN

Jeffrey Friedman's claim that arbitrariness is the inevitable result of the rejection of objectivist notions of truth misses its mark because it is based on a sense of "agreement" that is radically at odds with the concept of agreement at work in hermeneutical practice. The rationalist notion of truth Friedman upholds cannot escape the need for agreement any more than the hermeneutical notion; the central distinction between the two senses of "agreement" is the distinction between coercion and consent. Hermeneutical practice integrally links the rational procedure and universalizing consent, which together constitute a rigorous existential standard that challenges any rationalist discipline.

In "Postmodernism vs. Postlibertarianism" (CRITICAL REVIEW 5, no. 2), Jeffrey Friedman raises a fundamental question: "Without the discipline imposed by a putatively objective, non-metaphorical reality, is not each interpretive community licensed to convert its instincts into sacred cows on the ground that there is no higher standard of truth than whatever is arbitrarily self-imposed?"[1]

Permutations of Friedman's challenge have perennially been an

CRITICAL REVIEW, Winter 1994. ISSN 0891-3811. © 1994 Critical Review Foundation.

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issue between the rationalist tradition and the countertradition since at least the time of Plato's disputes with the Sophists. A variation on Friedman's worry is expressed, for example, by Aristotle in the opening passages of the *Nicomachean Ethics*: "Now fine and just actions, which political science investigates, admit of much variety and fluctuation of opinion, so that *they may be thought to exist only by convention*, and not by nature."[2]

Since this worry has a lifetime at least equivalent to that of the Platonic tradition, we might begin to suspect that it is an issue in which debate must inevitably result only in the dull thud of conflicting intuitions. Nevertheless, in the interest of communicative rationality, I want to engage Friedman's question, challenge his suggestion that "smug self-assurance" and "closed-mindedness" are connected to the rejection of absolute truth, and question his claim that the "discipline imposed by a putatively objective, nonmetaphorical reality" is, or has ever provided, a cure for those ills.

The Tradition of "Truth"

In the Platonic, rationalist tradition universals such as justice, freedom, and truth are conceived as "objective" and "nonmetaphorical": independent of human knowledge and human will, eternally unchanging, ideal entities at which human action aims (or should aim) in order to realize harmony and avoid chaos.[3] The purpose of this conception is, as Friedman has pointed out, to attempt to ensure that the individual or group that happens to hold power at the moment is not "licensed to convert its instincts into sacred cows on the ground that there is no higher standard of truth than whatever is arbitrarily self-imposed." On this conception, values are like laws—as opposed to decrees—in that rulers as well as ruled are subject to them. Insofar as actions may be judged as conforming or failing to conform to them, they are an attempt to guarantee that human societies recognizing them will not be rendered subject to arbitrary laws or the oppression of one group by another.

Because rationalist universals are conceived as eternally unchanging as well as independent of human knowledge and will, access to them is problematized. They are what they are, independent of what we say or what we decide concerning them; thus, at

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any time we may believe we have achieved knowledge of them—but we could be wrong. What we treat as knowledge (i.e., what we think is true) may be erroneous opinion (i.e., false). As Pyrrhonian skepticism discloses, we can never be absolutely certain of anything that we conceive to be utterly distinct and separate from ourselves. This problem results directly from the rationalist conceptions of *knowledge* and *truth*, or, to say this another way, from the rationalist *language game* of knowledge, the rules of which function consistently with the language game of universals.

Our knowledge of universals, according to the rules of these language games, must share in their nature as much as possible, that is, it must be a kind of knowledge that is eternally true, unchanging, and independent of human will.[4] Access to universals, then, is restricted to science, or theoretical reason, to the dimension of human rationality that is concerned with "demonstration" and "certainty." In other words, only what can be "proven" by formal methods, such as mathematics and logic, may count as (universally) true or valid. This language game bears an unfortunate consequence: it entails that other spheres of human reason and action must be consigned to the domain of the "irrational."

Plato himself explicitly makes this move:

> Could we not rightly, then, call the mental state of the one as knowing, knowledge, and that of the other as opining, opinion? Assuredly. Suppose, now, he who we say opines but does not know should be angry and challenge our statement as not true—can we find any way of soothing him and gently winning him over, *without telling him too plainly that he is not in his right mind?* . . . Shall we then offend their ears if we call them *doxophilists* rather than philosophers and will they be very angry if we so speak? Not if they heed my counsel . . . for *to be angry with truth is not lawful.*[5]

It appears, from this passage, that postmodernists have not cornered the market on "closed-mindedness" and "smug self-assurance." In rhetorical terms, Plato derides alternative forms of reasoning, barring them from legitimate appeal to universals such as truth and justice. In any case, it is evident that this language game is founded on the claim that it holds the unique warrant to speak of truth.

Two points are important here: first, rationalism claims that its conception of universals is The True and Eternally Valid Concep-

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tion, with which one may not "lawfully" be angry. William James writes of "Objective Truth" that it "must be something non-utilitarian, haughty, refined, remote, august, exalted. It must be an absolute correspondence of our thoughts with an equally absolute reality. It must be what *we ought* to think unconditionally."[6] Second, as a consequence, any practical reason or argumentation which challenges that conception is, by definition, denied the status of a legitimate game of human rationality.[7]

This consequence might be acceptable if theoretical reason had proven itself master of the task it set (and continually resets) for itself, that of establishing beyond doubt—for value judgments as well as for purely formal truths—a domain of self-evidence and absolute certainty about which there can be no disagreement. Since demonstration, by definition, discovers the truth about its objects, proofs of the nature of universals should, in the rationalist view, speak for themselves to anyone with reason. To date, universally accepted theories of, for example, the nature of truth or of justice or of knowledge have not been produced by rationalist methods. In fact, disputes over methods continue to proliferate as methods themselves come into and go out of fashion.

In responding to Friedman's challenge, I will take my departure from the sharp distinction between theoretical and practical reason made by Aristotle. I reject the idea that the precision and absolute clarity that mathematics and logic may be said to exemplify is to be maintained as the standard in the discussion of universal values. I follow Aristotle's suggestion that what should count as adequacy in a discussion is dependent on the subject matter:

> Our discussion will be adequate if it has as much clearness as the subject-matter admits of, for precision is not to be sought for alike in all discussions, any more than in all the products of the crafts. Now fine and just actions . . . admit of much variety and fluctuation of opinion, so that they may be thought to exist only by convention, and not by nature. And goods also give rise to a similar fluctuation because they bring harm to many people. . . . We must be content, then, in speaking of such subjects and with such premisses to indicate the truth roughly and in outline, and in speaking about things which are only for the most part true and with premisses of the same kind to reach conclusions that are no better. In the same spirit, therefore, should each type of statement be *received*; for it is the mark

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of an educated man to look for precision in each class of things just so far as the nature of the subject admits.[8]

Raising the Stakes: Universals in Plato's Language Games

Chaim Perelman spent fully 10 years searching for *a* logic of value judgments. He applied Frege's method of the minute analysis of mathematical reasoning to reasoning about the preferable, the just, the beautiful, and the real as superior to appearance. Perelman became convinced that *there is no specific logic of value judgments.*[9] Not only Perelman's 10 years, but over 2,000 years (and how many philosopher-years?) of work in the rationalist tradition have already been devoted to this enterprise, without there being any indication that it will make good its promissory notes. Perelman is right. There is indeed good reason to turn the tables on rationalism, good reason to put to the question the claim to sole authority maintained by rationalist language games. My response, in other words, is to dispute the rationalists' claim to unique legitimacy for their version of what Friedman calls "the regulatory ideal of Truth."

First, consider Plato's own use of rhetoric in developing what has been called "the metaphysics of presence." This will not be an argument showing merely that rationalists also use rhetoric, since, as Donald McCloskey has pointed out in these pages, this tactic simply results in a draw.[10] Rather, I want to show how Plato, in the *Republic,* uses rhetoric to raise the stakes of the debate by means of his story of universals. His narrative removes the locus of judgment well beyond the reach of human discussion. Indeed, he moves that locus beyond the range of what we ordinarily think of as "facts": statements that are universally accepted.

The rules of the language game of "facts" require that any statement claimed as a fact must be universally accepted. Any statement of "fact" is nevertheless—in principle as well as in practice—always open to dispute. When a "factual" statement is successfully challenged, the language game (that is, the rhetoric) of facts requires that its status be reduced to that of an "illusory" fact. Perelman makes this point: "Facts and truths can be characterized as objects that are already agreed to by the universal audience. . . . There cannot be any conflict between facts and truths on which we would be called to make a decision. What happens when such a

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conflict seems to occur is that the incompatible element loses its status and becomes either an illusory fact or an apparent truth."[11]

The Platonic language game allows no dispute.[12] In his rhetorical move of bestowing upon universals the status of what we might call "superfacts"—an immutability, invulnerability, and lifespan that no ordinary fact may ever achieve—Plato endows his universals with a metaphysical *presence* so overwhelming that they cannot but (in his language game) be taken as "speaking for themselves to anyone with reason." He highlights the universality of his "self-evidence" in another dialogue, using a slave boy as interlocutor in the *Meno*.

The use of "slave" and "boy" are both commonplace markers of inferiority to the Greeks. Plato's argument goes on to assert that, since the truth is eternal and immutable, if it is not now "known," it must have been forgotten: "And if the truth about reality is always in our soul, the soul must be immortal, and one must take courage and try to discover—that is to recollect—what one doesn't happen to know, or, more correctly, remember, at the moment."[13] (As John Caputo puts it, "No sooner has life begun than speculative thought wants to sneak back out, like a philosophy professor claiming that he has forgotten his umbrella.")[14]

The truth, for Plato, is "discovered," "recollected"; that is, it demands recognition when it presents itself. Implicit here is an a fortiori argument. If the self-evidence of Plato's Truth demands the assent even of a slave boy,[15] it a fortiori demands the assent of his superiors.

Universals Require Assent

The conclusion to which the verbal chain of Plato's rhetorical devices is woven to lead our understanding[16] is that universals do not require agreement, but the claim that rationalist universals are self-evident obscures the fact that even they require the assent of their audience. "Universal," after all, means "something to which humans universally assent." And rationalists must, just as hermeneuticists must, seek universal consent to their conception of ideas such as justice, truth, and freedom.

The form of agreement sought by rationalists, however, is not the same as that sought by hermeneuticists. If Truth is "self-evident

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to anyone with reason," it demands our consent, on the pain of being labeled "irrational" or "unlawful." On these grounds I suggest that agreement to rationalist Truth is by *coercion*. This move to declare universals "self evident to anyone with reason"[17] raises the stakes of the debate. Since, according to Plato's account, universals are completely knowable by reason, anyone who does not agree is faced with a typical (Platonic) dialectical exclusive disjunction: either he or she is "not reasonable,"[18] or he or she has not (properly) followed the correct method.

Plato's argument relies on two rhetorical moves. First, anyone who does not agree is accorded a lower status, for example, that of a "doxophilist" as opposed to that of a "philosopher." Second, Plato deprecates any method other than the rationalist one of ascertaining the real. Plato, then, to use Perelman's language, implicitly sets a value on some aspects of reality rather than others.[19]

The rhetoric of dialectics leads one into the position of being forced either to agree or to submit to being labeled as misguided or irrational. The ordinary language game of facts allows no "discussion"—of facts there can be only "discovery." A metaphysical superfact, a fortiori, is not a subject for discussion—only for discovery.

Another way of thinking about Plato's rhetoric is to say that he pairs the language of "invention" with the language of "discovery," in what Perelman calls an "appearance/reality pair."[20] Plato suggests that truth as "discovered" is real, while deprecating the idea of truth as invention (or convention).[21] Plato narrates the *presence* of Truth, which anyone who is not irrational may plainly "see." Plato's attempt to subordinate invention to discovery, however, cannot entirely efface invention. As Perelman notes, "*Loci* of quantity and *loci* of quality propose choices to us. They do not destroy totally what they reject. To whoever admits a *locus*, the antithetical *locus* is not necessarily unattractive; one of the values in discussion can be depreciated but it continues to exist."[22]

Platonic rhetoric obscures the critical role of agreement in universals—in its sense of "arising from discussion"—by pushing it into the background. Hence the perennial debate. For universals to count as "universal," agreement concerning them must be universalizable. This is the rhetorical thrust of making a "slave" the interlocutor in the *Meno*; Plato devotes considerable dialectical argumentation to demonstrating that anyone with reason must agree.

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Agreement as a "Friendly Relation"

The hermeneutical conception of universals, like the rationalist one, recognizes that agreement upon what counts as a universal must be sought from one's interlocutors. This agreement, furthermore, must be in principle universalizable; this is a critical point, which will be addressed at length below. At this juncture it is important to note that, in contrast to the rationalist view, the hermeneutical conception emphasizes the value of agreement; in other words, agreement is foregrounded in the hermeneutical conception of universals. Since they are attained through communicative rationality (conversation based upon reciprocal goodwill), hermeneutical universals arise from consent rather than from coercion.

The distinction between rationalist and hermeneutical universals to which I want to draw attention may be illuminated by considering the Aristotelean distinction between unanimity and identity of opinion:

> Unanimity also seems to be a friendly relation. For this reason it is not identity of opinion; for that might occur even with people who do not know each other; nor do we say that people who have the same view on any and every subject are unanimous, e.g. those who agree about the heavenly bodies (for unanimity about these is not a friendly relation), but we do say that a city is unanimous when men have the same opinion about what is to their interest, and choose the same actions, and do what they have resolved in common. *It is about things to be done, therefore, that people are said to be unanimous*, and, among these, *about matters of consequence and in which it is possible for both or all parties to get what they want*; e.g. a city is unanimous when all its citizens think that the offices in it should be elective, or that they should form an alliance with Sparta, or that Pittacus should be their ruler—at a time when he himself was also willing to rule. But when each of two people wishes himself to have the thing in question . . . they are in a state of faction; for it is not unanimity when each of two parties thinks of the same thing, whatever that may be, but only when they think of the same thing in the same hands, e.g. when both the common people and those of the better class wish the best men to rule; for thus and thus alone do all get what they aim at. *Unanimity seems, then, to be political friendship, as indeed it is commonly said to be; for it is concerned with things that are to our interest and have an influence on our life.*[23]

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The hermeneutical sense of "agreement" is practical, to be distinguished from the kind of agreement we might be said to have about theoretical propositions, such as whether electrons are particles or waves, whether the earth orbits the sun, whether quarks are to count as real or as instrumental entities. The sense that is important for the following discussion is one which calls our attention to the agreements that are "concerned with things that are to our interest and have an influence on our life."

Before taking up Friedman's challenge to the conception of universals expounded by such postmodernists as Gary Madison, let us consider what it is about this conception of universals that worries rationalists, so as to set the matter in a context that might help clarify the hermeneutical response.

Universal Worries

The hermeneutical procedure of arriving at universals by agreement raises worries in rationalist minds, worries about the very problems that they believe their idea of universals resolves: arbitrariness and favoritism. "If," I have heard it said, "hermeneutical universals can be *reduced* to agreement, then *all they amount to* is simply whatever *we happen to agree* counts as, say, 'freedom' or 'justice.'" Therefore, it is feared, hermeneutics turns "instincts into sacred cows."

To put it differently, the worry is that, in the hands of hermeneuticists, universals become relative to, and dependent upon, the society or group that holds them and, thus, are no longer "real" universals; that is, they are no longer analogous to laws but are reduced to the status of decrees. The fear is that hermeneutical universals can be used as tools to justify the power of whichever group happens to hold them at the moment. Such a conception, it is feared, opens the way for the exploitation of one group of individuals for the advantage of another: justice, for example, could be defined by agreement as whatever is in the interest of the group in power.

Another fear raised by the hermeneutical conception improperly understood is that universals will not be stable, that is, universals will change arbitrarily, say, at the hands of whoever has the most persuasive argument. Agreements among humans, it might be said,

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are notoriously transitory and fragile, and it is feared that the hermeneutical approach to universals will render them chaotically unstable. In summary, the worries I will address are worries about instability, arbitrariness (often cashed out as oppressiveness), and favoritism (often cashed out as exclusion).

It is important in the following discussion to keep in mind the fact that the rationalist conception of universals has no more succeeded—in practice—in preventing oppression and repression than its practitioners have universally avoided being liable to charges of "smug self-assurance" or "closed-mindedness."

Neither has rationalist theory succeeded in providing stability in the meaning of universals, as is demonstrated, for example, by the persistent disputes over the "nature" of truth and justice. In order to properly address these issues, which, I stress, are equally important to hermeneuticists as to rationalists, I need first to consider them in rhetorical terms themselves.

Are hermeneutical universals *reducible* to agreement? Linking the phrase "hermeneutical universals" to "agreement" by the word "reduced" has the rhetorical effect of devaluing or depreciating "hermeneutical universals." The order of things presupposed by the question accords "agreement" a lower status than that accorded to "universals." The question, that is, presupposes the Platonic hierarchy of values I sketched earlier, in which the *universal* is given presence, is accorded a higher degree of reality than *agreement*.

The notion of "lower" also takes on—in this context as opposed to the scientistic context—an evaluative tone that suggests associated baser motives as the underlying reality. The tone of the question cues a link to some sense of "agreement" that is, relatively speaking, negative: say, collusion at worst and, at best, a trifling affair of little concern, one that is treated in an offhand manner. Framing the question in the language of reductionism suggests that some discreditable form of agreement is what is really going on and that hermeneutical universals are mere rhetorical devices deployed to persuade the unwary. This may say something significant about how seriously some of us take our agreements with our fellows, but it says nothing about the hermeneutical notion of agreement, to which I now want to turn.

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Consent Freely Given

The 1991 edition of the *Compact Oxford English Dictionary* provides some senses of "agreement" upon which I will draw in my account of the hermeneutical notion. It lists: "The action of consenting" (under "consent" it lists: "Voluntary agreement to or acquiescence in what another proposes or desires"); "A setting at one; atonement (both in its earlier sense of reconciliation and its later sense of propitiation, satisfaction)"; "A coming into accord; an arrangement between two or more persons as to a course of action; a mutual understanding; a covenant or treaty"; "A contract duly executed and legally binding on the parties making it." Note that all of these senses are consistent with the practical sense of "unanimity," as distinguished from "identity of opinion," which I took from Aristotle.

One further point to recall is one on which both rationalists and hermeneuticists concur: if a principle is to be regarded as universal, agreement concerning it must be universalizable. The difference between the hermeneuticist and the rationalist, I argued, lies in the means used to achieve the universalization of recognition of a principle as universal: consent as opposed to coercion.

Consent as a Principle of Universalization

Communicative rationality begins with an action: seeking the consent of one's interlocutor by finding an area of commonality. Communicative rationality—the hermeneutical, procedural use of language—makes use of the rhetorical principle of *inventio*, which, as Gary Madison puts it, involves "locating the common ground or presuppositions (*loci commune*) shared by the discussants to which appeal can be made in order to secure agreement on a specific issue."[24] That is to say, communicative rationality first seeks an accordance in sentiment[25] to which, as the discussion moves forward, appeal may be made in order to extend the scope of agreement, say, to an arrangement as to a course of action or a contract duly executed and legally binding on the parties making it. Communicative rationality, in other words, begins with an act of con-

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sent, a mutual understanding, and seeks to further the friendly agreement among two or more people.

To seek consent (voluntary as opposed to coerced acquiescence) means that one treats one's interlocutor as one's equal. If, as Perelman writes, "I consider my interlocutor as my equal, there is no reason for him to concede any special privileges to me. He will grant me what I am ready to grant him on an equal basis. Because of the principle of reciprocity . . . the rhetorical point of view in ethics forces generalization of an egoistic principle; such reasoning leads to moral principles of universal application. . . . Insofar as one accepts an equal or reciprocal relationship between the speaker and the audience, one is led to generalize and even universalize egoistic principles."[26] Upon this universalizability of agreement rests any doctrine of universals.

It should be noted that this hermeneutical principle prohibits, on practical ethical grounds, two of the worries we are considering, namely, favoritism and oppression. Since communicative rationality has as its object the establishment of general principles or rules, it seeks, in principle, to extend the scope of agreement to all humans. This requires the extension of the reciprocal relationship (of considering one's interlocutor as one's equal) to all, in principle thwarting the possibility that one party may benefit at the expense of another.

The universalizing movement of the principle of reciprocity neutralizes the force of Friedman's objection. In Madison's words: "The reason for insisting on the fact that the object of communicative agreement is general principles is that, by revealing thereby something about the nature of such agreement, it is possible on this basis to refute the charge that in substituting 'agreement' for 'truth' one is eliminating the objectively valid in favor of the subjectively arbitrary. There may be no place in communicative rationality for the notion of 'objective truth'—truth which supposedly exists prior to or independent of intersubjective agreement—but this does not mean that what people collectively agree upon is merely arbitrary."[27]

The hermeneutical notion of universals bears another similarity to—and another difference from—the rationalist notion. On the one hand, the rationalist and the hermeneuticist views are similar in that they both appeal to reason, to the reasonable mind, by which the universal is recognized. On the other hand, as I argued earlier, the rationalist, using the method of "demonstration," claims to re-

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veal the "fact of the matter" regarding universals, which is "self-evident" to any reasonable mind. To the rationalist, recognition means seeing a pre-existing fact. In contrast, the hermeneuticist, by arguing in support of a principle, puts forth an appeal to the "adherence" of an audience of all reasonable and competent minds to an "opinion about what is to their interest,"[28] so that "all get what they aim at."[29] To the hermeneuticist, recognition is an existential, creative, ethical act.

Adherence is a *practical* commitment; it is not an identity of opinion about propositions. In other words, it is a pragmatic concept, which means that it is a working out in action. Adherence must be distinguished from that identity of opinion about propositions that is the ideal end-state of analytical argument, when "the truth" has been attained and that is the end of the matter. Since hermeneutical truth is procedural, there is no end of the matter, no final state of truth, achieved forever.

It is ironic that Friedman, in his very criticism of postmodernism, provides us with an example of how hermeneutical, procedural truth operates. Rather than proclaiming the truth of the matter with respect to minimal statism, we will proceed rather "by addressing the *reasons* minimal statism was rejected: the perception that capitalism is in fact inegalitarian, unlibertarian, unstable, and destructive of economic, social and cultural goods. This can only be done by sympathetically understanding these perceptions, investigating their factual basis, and proposing alternative interpretations of the facts."[30] Hermeneuticists do not deny "facts"—only their eternal, immutable status. Thus, we investigate facts and propose alternative readings of them. What is different in hermeneutical practice is that facts themselves are understood to be interpretations; thus, there is likely to be more tolerance toward the proposing of alternative interpretations.

Adherence also means commitment to principles judged to be right. This does not mean, contrary to what Friedman claims, that postmodernists insist on the transcendental validity of their truths;[31] it does mean that, like Friedman, postmodernists try to avoid self-delusion. There is, for example, no belief, as "ineluctable" as Friedman thinks it is, in "the existence of an independent reality"[32] to which our beliefs must be made to correspond. To use McCloskey's words, "There are no timeless standards outside those of an interpretive community."[33]

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Contrary to Friedman's claim that this makes postmodernism conservative in that it does not allow challenges to communal interpretations,[34] hermeneutical standards exist by being continually open to challenge. To hermeneutics, consent must always be held at risk of being withdrawn; only in this way can agreement be freely given. In other words, hermeneutical consent is *historically emergent*; it is intrinsically temporal. Since hermeneutical consent is processual, it is intrinsically an activity. It is consent that is continually vulnerable to challenges and must continually overcome them in order to continue to count as consent. Future acts, in other words, would count as the result of coercion if the single, initial act of agreement were not freely renewed.

Hermeneutical consent, then, accords with Thomas Paine's conviction: "There never did, there never will, and there never can exist a parliament, or any description of men, or any generation of men, in any country, possessed of the right or the power of binding and controlling posterity to the '*end of time*.' "[35] Hermeneutical consent accords also with Jefferson's view that "no society can make a perpetual constitution, or even a perpetual law. The earth belongs always to the living generation."[36] It accords, furthermore, with Jefferson's suggestion that constitutions be "automatically reviewed and reassessed every nineteen or twenty years (i.e., every generation)."[37]

The hermeneutical conception of agreement, of a coming into accord, cannot be an act of coercion by some at the expense of others, because—in practice—a coerced "agreement" about a principle would eventually break down, revealing its nonuniversality. The hermeneuticist, in other words, in his or her appeal to reason, seeks the agreement of all persons (who are not disqualified as members of a universal audience) to the principle(s) in question. He or she, that is, seeks "political friendship," which is "concerned with things that are to our interest and have an influence on our life."[38]

Hermeneutical Universals and Solidarity

In the previous section I began drawing a connection between the hermeneutical concept of agreement and that of reason (the universal audience of all reasonable and competent minds).[39] This link between the practice of mutual consent and the practical concept of

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rationality thwarts attempts to reduce the hermeneutical concept of universals to (mere) agreement. The hermeneutical use of "concept," as I mentioned, means a working out in action. The hermeneutical notion of universals, therefore, links "sharing a joint activity"[40] to "the rationality of that activity."[41] Hermeneutical universals, to state the matter in another way, are the result of freely extended acts of consent rationally arrived at.

Plato's rhetoric lays the foundation for a tyrannical form of government. His philosopher kings could legitimate their own power through an ideology that is not open to question. By contrast the hermeneutical emphasis on agreement and the procedural use of language means a continuous seeking of approbation and adherence for the very survival of its truths. Its "ideology," so to speak, is always open to question, deriving its authority solely from unconstrained consent.

Hermeneutical consent counts, therefore, as a form of what Aristotle called "political friendship," since it concerns practical reasoning about "things to be done"; in other words, it is consent about values and action. It counts as political "friendship" because it seeks the consent of all; thus, it moves the procedure beyond the "goodwill" that is the basic prerequisite of communicative rationality. As Madison puts the point: "To speak of the synergetic interaction of individuals in civil society is (as in the case of Gadamer) to speak of human *solidarity*."[42]

Goodwill is required for communicative rationality to occur in the first place. Hermeneutical consent is the voluntary acquiescence in what another proposes or desires. Thus, hermeneutical consent as political friendship involves a willingness to act, which extends the scope of hermeneutical goodwill, conceived as the willingness to engage in open conversation. In this respect, hermeneutical consent is existential; hermeneuticists do not "discover" an already existing universality—in the rationalist sense—and then consider our aim to have been accomplished.

Rather, in "making truth," we seek to extend existing consent, establishing new grounds by acts of initiative that have no guarantee in being. Consent to hermeneutical universals means that one makes a commitment to act according to those principles. Agreeing, for example, to the principle of freedom, means practicing the universalization of the principle, consciously and deliberately extending it to others in daily activities. It means thinking about the

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principle and how to make it work in practice. It means, to use Gary Madison's language, practicing the theory and theorizing about the practice.[43]

Hermeneutical postmodernism, therefore, does not mean the attempt to be theoryless, as Friedman suggests.[44] Of course, Friedman is right in saying that "we *cannot* fail to ask how well we are distinguishing good from bad interpretations."[45] The difference is that in hermeneutical practice we no longer claim eternal verity for our theories. We recognize human finitude: temporal, ethical, and intellectual. We defend, to use Madison's words, "what might be called the *pursuit* of truth, i.e. an understanding of things that is animated by a drive for universality, a universality which must nevertheless remain always only presumptive."[46]

The justification for acts of consent to hermeneutical universals rests entirely on the effective power that we humans have to take our own history upon ourselves. In taking up that power we also bear the responsibility for its practice and its consequences. In this sense hermeneuticists agree with Friedman that "for a community to find a claim persuasive *means* that it attributes transcendent validity to it."[47] For hermeneuticists, validity that transcends a claim's immediate persuasiveness means that the principle deserves adherence—future as well as present commitment—and its universalization beyond egoistic self-interest. "Truth," as Madison writes, "is a *practical* concept. It is something that can exist only if we take responsibility for its existence. 'Philosophy' is one name for the exercise of this kind of responsibility."[48]

There is no *transcendental* truth of the kind that Platonic rhetoric narrates. To say that "the discursive community is *wrong* in saying that there is"[49] involves, contrary to Friedman's argument, no more self-contradiction than the assertion that there is no Santa Claus. It is only when one believes in (presupposes) the language game of transcendental Truth that the claim can be made paradoxical. Neither claim need appeal to any transcendental Truth for its validity, only to the "small-t" truths made in experience.

Madison sums it up: "Hermeneutics holds to a fallibilist and pluralist view of reason: fallibilist in that it believes that no truth-claim can ever be immune from criticism such that there would no longer be any need to carry on the 'conversation of mankind'; and pluralist in that it believes that there can be no single privileged 'rational method' for deciding upon what is 'true.' "[50] We can, *contra*

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Friedman, gain critical perspective on our own thought—"enough to call it false"[51]—in part through our discourse with the other, the same means we use to transcend our particular context.[52]

Hermeneutical practice is, clearly, rigorous—in a way that challenges any "discipline imposed by a putatively objective, nonmetaphorical reality."[53] As Donald McCloskey put the point, "Modernists talk a lot about 'discipline' and 'rigor' and 'compelling proof,' in a vocabulary approaching the sado-masochistic, but when it gets down to the whips and chains they don't carry through. Better to have a real discipline of relativist practice than a phony discipline of absolutist theory."[54]

Process, Rationality, and the Universal Audience

I said in the previous section that hermeneutical agreement is processual; this entails that it is not an end state. Reason, conceived as the "universal audience," is, according to Perelman, an intellectual act of initiative of each philosopher and, thus, is linked to his or her milieu and epoch.[55] What is sought from the universal audience is a reciprocal, universalizable agreement.

The appeal is to the future, since at any particular time not all people agree to any particular philosopher's notion of, say, justice. The idea of the appeal is the notion that once all the arguments in support have been made and everyone has heard and understood, then the dissension now existing will be reconciled into a mutual understanding, a concordance. This appeal must always be directed to the future, since all the arguments will never have been made and not everyone will ever have been heard and understood. The "essential" temporality of the appeal to the universal audience is not, however, lamentable. Recall that consent can only continue to count as freely given if agreements are continually vulnerable to challenges and continually overcome them. Hermeneutical agreement is historically emergent.

Reaching accord, therefore, is itself a process. Progress in agreement is, as Madison says, less a perfection of consensus than a refinement of debate.[56] The refinement of debate is a (communicatively) rational process. In linking agreement to rationality, then, the hermeneutical procedural use of language transcends simple agreement. Since communicative rationality is always future di-

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rected, universals cannot be *reduced* to agreement. *There is no last word*, no final end state of agreement. The process is open-ended.

Adherence and Solidarity

The foregoing response resolves some of the worries underlying the question of whether hermeneutical universals can be reduced to agreement, but it does not resolve worries about arbitrariness and instability. To quell these we need to recognize that the hermeneutical appeal to reason—as an appeal to a universal audience—petitions, as Perelman says, "the *adherence* of an audience."[57]

The rhetorical appeal to the adherence of an audience, I contend, is not—as Plato would have it—indicative of a greater concern for success than for the truth, a concern that would indeed lead to arbitrary and unstable results. The appeal to adherence is an appeal for the subject *to constitute itself as ethical*. This procedure promotes stability. In Madison's words: "The subject can constitute itself as an *ethical* subject only through language of a certain kind (through the language of promise and commitment, conscientiously practiced)."[58]

As an appeal to a universalized audience for adherence to principles that are mutually acceptable, communicative rationality produces *solidarity* from consent. Adherence, once established, serves as a common ground from which to pursue further agreements into the future. "One is perfectly at liberty to call such common grounds or shared standards 'objective' if one so chooses. The epithet would be especially appropriate if the grounds in question were common to an entire discipline or, even more, an entire cultural tradition."[59]

An agreement, for hermeneutics, is an event, a setting at one, a reaching of mutual understanding from which further agreements may be sought. The event of agreement occurs in a shared activity, namely, discourse or conversation, characterized by rationality. In order to agree in a meaningful way, we must understand that to which we are giving our consent. In order to understand, we must make the effort required to render the discourse of our interlocutor coherent and meaningful. This effort requires goodwill toward the other and an openness to what he or she says.

Hermeneutical universals are a way of reflecting on experience

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that allows us to view our immediate concrete situation from the standpoint of what we, as humans, can agree that we have in common. Through communicative rationality we come to a common understanding, an event that changes each of us in the process. Agreement is sought in what Madison calls "synergetic interaction."[60] The event of mutual understanding is a fusion of horizons, an event of intersubjective meaning, of emergent historical consciousness. Such events are not reducible to concrete historical particulars.

Hermeneutical agreement, I submit, is no "mere" agreement, and may not be translated as "arbitrarily self-imposed"[61] or as "instincts converted into sacred cows"[62] or as collusion or as a trifling affair of little concern or as identity of opinion or by any similar phrases. Agreement, on the contrary, is a matter of utmost concern to hermeneuticists. Since it is required by both the rationalist and the hermeneuticist concepts of universals, the *foregrounding* of agreement undertaken by hermeneutical practice is an eminently reasonable move, and undeniably rational. It is of central importance, since it must, as Perelman says, be "based on beliefs accepted by the audience with such conviction that the rest of the discourse can be *securely* based upon it."[63]

In seeking agreement, hermeneuticists recognize that practical ethical consequences flow from the principle of reciprocity. Hermeneuticists acknowledge that "the principle is as binding on them as on anyone else. The reasonable person is therefore one who recognizes that no agreement can lay claim to argumentative validity which favors some at the expense of others."[64] Friedman's worry that arbitrariness is entailed by abandoning the idea of an absolute truth is settled by the conscientious practice of this principle. When one, in goodwill, recognizes that a principle is binding on oneself as well as on the other, one does not arbitrarily enter into agreements about what counts as true. Nor will the solidarity so achieved be unstable, although it may be provisional. Instability implies irrational change. Agreement based on commonalities actively sought—on principles conscientiously held and rationally discussed and defended—cannot count as arbitrary and will change only for good reasons.

Such agreement, processual and open to change, having no final word, an event of mutual consent reached in a joint activity that is rationally pursued, places a higher value on the reasonableness of

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the procedure than on the goal of agreement. It must be so if the agreement is to count as free consent and not to count as coerced. Reasonableness cannot, pace Friedman, be sacrificed to achieve agreement. Thus, the universals that are the product of communicative rationality cannot be reduced to an event of agreement, since this would exclude the rationality of the process from their description.

Hermeneutical agreement has a radically different sense from the notion of agreement underlying the worries that Friedman's challenge has expressed.

Hermeneutical praxis is based on the principle of universalizable reciprocity. In hermeneutical process, we begin by locating common ground shared by the discussants. As Madison writes: "Locating the common ground is not a matter of logistics but of *ingenium*: the insightful grasping of a universalizable principle."[66] Locating common ground is, therefore, a human action that requires reciprocity. The very activity shifts the focal point of discourse from the purely egoistic principle of individual or group self-interest to a general one. Reciprocity means that my interlocutor will grant me what I am ready to grant him or her on an equal basis. Hermeneutical universals, therefore, function more as laws than decrees: we are mutually *subject* to our agreements. Actions may be judged as conforming or failing to conform to them.

Since communicative rationality requires reciprocity, which, in turn, must be generalized, hermeneutical standards are properly universal. Hermeneutical practice expresses a kind of universality distinct from the rationalist conception of it, a pragmatic conception to which an interplay between theory and practice is integral. Hermeneutical practice does not "dispense with"[66] the notion of truth as a regulatory principle; it works with a practical notion of truth distinct from and equally legitimate to the rationalist notion, one that exists only by being open to and overcoming challenges. Hermeneutical practice is a rigorous application of mutually agreed upon standards, as rationally defensible as traditional analytical methods.

The rational procedure of giving and defending arguments is integrally intertwined, in hermeneutical praxis, with the event of coming to a mutual understanding and with the fusion of horizons that we might describe as the product of that activity. Hermeneutical, reciprocal, universalizable agreements, sought by petitioning

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the adherence of the universal audience may be seen—to borrow a metaphor from William James—as synergetic perchings in the endless flight of the paradigmatically human practice of the rational refinement of discourse: the unfolding of emergent historical consciousness.

NOTES

1. Jeffrey Friedman, "Postmodernism vs. Postlibertarianism," CRITICAL REVIEW 5, no. 2 (Spring 1991): 150.
2. Aristotle, "Nicomachean Ethics," *The Basic Works of Aristotle,* ed. Richard McKeon (New York: Random House, 1941), 1094b, emph. added.
3. Consider, for example, some passages from Plato, "Republic," *The Collected Dialogues of Plato*, eds. Edith Hamilton and Huntington Cairns (Princeton: Princeton University Press, 1961): "Let him answer me, that good fellow who does not think there is a beautiful in itself or any idea of *beauty in itself always remaining the same and unchanged*, but who does believe in many beautiful things . . . and this will be our question. My good fellow, is there any one of these many fair and honorable things that will not sometimes appear ugly and base? . . . We would seem to have found, then, that the many conventions of the many about the fair and the honorable and other things are tumbled about in the mid-region between that which is not and *that which is in the true and absolute sense*." 479a, emph. added; "The philosophers are those who are capable of apprehending that which is *eternal and unchanging*." 484b, emph. added; "Fix their eyes on the *absolute truth*, and always with reference to that ideal and in the exactest possible contemplation of it establish in this world also the laws of the beautiful, the just, and the good." 484c–d, emph. added; "We must accept as agreed this trait of the philosophical nature, that it is ever enamored of the kind of knowledge which reveals to them something of *that essence which is eternal*, and is not wandering between the two poles of generation and decay." 485b, emph. added.
4. Consider, for example, some further passages from Plato, "Republic": "To return, then, my friend, said I, to *science or true knowledge*, do you say that it is a faculty and a power, or in what class do you put it? . . . You agreed that science and opinion are not identical. How could any rational man affirm the identity of the infallible with the fallible. . . . *Each of them, then, since it has a different power, is related to a different object*. Of necessity. Science, I presume, to that which is, to know the condition of that which is? Yes. Does it opine the same thing that science knows, and will the knowable and the opinable be identical, or is that impossible? Impossible by our admissions, he said. *If different faculties are naturally related to different objects and both opinion and science are faculties, but each different from the other, as we*

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say-these admissions do not leave place for the identity of the knowable and the opinable." 477–78, emph. added.

5. Plato, 476d–480, emph. altered.
6. William James, "What Pragmatism Means," *The Writings of William James: A Comprehensive Edition,* ed. John J. McDermott (Chicago: University of Chicago Press, 1977), 385.
7. Consider also Plato again: "Since the philosophers are those who are capable of apprehending that which is eternal and unchanging, while those who are incapable of this, but lose themselves and wander amid the multiplicity of multifarious things, are not philosophers, which of the two kinds ought to be the leaders in a state? . . . Whichever, I said, appear competent to guard the laws and pursuits of society, these we should establish as guardians." 484–93. In this passage Plato rules out, as "opinion," the methods of the Sophists.
8. Aristotle, 1094b.
9. Chaim Perelman, *The New Rhetoric and the Humanities: Essays on Rhetoric and Its Applications* (Dordrecht: D. Reidel 1979), 55–56.
10. Donald N. McCloskey, "Minimal Statism and Metamodernism: Reply to Friedman," CRITICAL REVIEW 6, no. 1 (Winter 1992): 107–12.
11. Perelman, 15.
12. See the passage at n3 above, specifically Plato's claim that "to be angry with truth is not lawful."
13. See Aristotle, "Politics," 1254b: "The lower sort are by nature slaves, and it is better for them as for all inferiors that they should be under the rule of a master. For he who can be, and therefore is, another's and he who participates in a rational principle enough to apprehend, but not to have, such a principle, is a slave by nature." 1260a: "All classes must be deemed to have their special attributes; as the poet says of women, 'Silence is a woman's glory,' but this is not equally the glory of man. The child is imperfect, and therefore obviously his virtue is not relative to himself alone, but to the perfect man and to his teacher, and in like manner the virtue of the slave is relative to a master."
14. John D. Caputo, *Radical Hermeneutics: Repetition, Deconstruction, and the Hermeneutic Project* (Bloomington: Indiana University Press, 1987), 14.
15. See Plato, "Meno," 86b.
16. See Maurice Merleau-Ponty, *The Visible and the Invisible,* ed. Claude Lefort, trans. Alphonso Lingis (Evanston, Ill.: Northwestern University Press, 1968), 199: "Consider language, even philosophical language, not as a sum of statements or of 'solutions,' but as a veil lifted, a verbal chain woven."
17. That is, to anyone "in his right mind." See n3 above.
18. This move parallels "the famous tale of the magician who was trusted by the king and had him put on clothes which, he said, were seen only by men above reproach. The king and his courtiers saw nothing but did not dare to say so until one day when a child, in his innocence, cried, "Why is the king naked?" The spell was broken. The magician had enough prestige

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to make perception serve as a criterion of everyone's morality [in Plato's case the criterion of 'reason' is agreement] until the indisputable innocence of a child destroyed this favorable prejudice. From the moment the perception was no longer tied to a judgment of value, everyone gave it its usual importance." This account is taken from Ray Dearin, ed., *The New Rhetoric of Chaim Perelman: Statement & Response* (Lanham, Md.: University Press of America, 1989), 62.

19. Perelman, 17.
20. Ibid., 74–76.
21. See Plato, "Republic," 479b-e, emph. added: "For we shall surely not discover a darker region than not-being. . . . We would seem to have found, then, that *the many conventions of the many about the fair and the honorable and other things are tumbled about in the mid-region between that which is not and that which is* in the true and absolute sense."
22. Perelman, 74.
23. Aristotle, "Nicomachean Ethics," 1167a–1167b, emph. added.
24. G. B. Madison, *The Logic of Liberty* (Westport, Conn: Greenwood Press, 1986), 222.
25. This is consistent with Aristotle's stated goal in the *Topica*: "Our treatise proposes to find a line of inquiry *whereby we shall be able to reason from opinions that are generally accepted* about every problem propounded to us, and also shall ourselves, when standing up to an argument, avoid saying anything that will obstruct us." Aristotle, "Topica," 100a.
26. Perelman, 100.
27. Ibid., 222–23.
28. Aristotle, "Nicomachean Ethics," 1167a–1167b.
29. Ibid.
30. Friedman, 157.
31. Ibid., 152.
32. Ibid.
33. McCloskey, 108.
34. Friedman, 140.
35. Thomas Paine, *The Rights of Man* (New York, 1973), Pt 1.
36. Jefferson to Madison, September 6, 1789, cited in Madison, *The Logic of Liberty*, 148.
37. Madison, *The Logic of Liberty*, 148, citing Jefferson's letter to Samuel Kercheval, July 12, 1816 (included in Thomas Jefferson, *The Portable Thomas Jefferson*, ed. Merril D. Peterson [New York: Penguin Books, 1981].)
38. Aristotle, "Nicomachean Ethics," 1167a–1167b.
39. What counts as a "reasonable and competent mind" must, of course, also remain open to discussion, so as to avoid exclusionary moves such as, for example, sexism or racism.
40. In Aristotle's language,"when men have the same opinion about what is to their interest, and choose the same actions, and do what they have resolved in common." See n24 above.

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41. See Harold Zyskind's "Introduction" to Perelman, xiii.
42. G. B. Madison, "Envisaging Postmodernity," unpub. MS, 1993, 19; forthcoming in *Études Littéraires* 27, no. 1 (May 1994).
43. G. B. Madison, "The Practice of Theory, The Theory of Practice" CRITICAL REVIEW 5, no. 2 (Spring 1991): 179–202.
44. Friedman, 151.
45. Ibid.
46. G. B. Madison, "Hermeneutical Integrity: A Guide for the Perplexed," *Market Process* 6, no. 1 (Spring 1988): 4; reprinted in P. Boettke and D. L. Prychitko, eds., *The Market Process: Essays on Contemporary Austrian Economics* (Edward Elgar, 1994).
47. Friedman, 140.
48. G. B. Madison, "Coping with Neitzsche's Legacy: Rorty, Derrida, Gadamer," *Philosophy Today* 36, no. 1 (Spring 1992): 13.
49. Friedman, 141.
50. Madison, "Hermeneutical Integrity: A Guide for the Perplexed," 3.
51. Friedman, 152.
52. Ibid.
53. Friedman, 150.
54. McCloskey, 109.
55. Perelman, 79.
56. G. B. Madison, "Hermeneutical Liberalism," in M. Grumlik and H. Brunkhorst, eds., *Gemeinshaft und Gerechtigkeit*, (Frankfurt: Fischer Taschenbuch), forthcoming.
57. Perelman, 13–14, emph. added.
58. G. B. Madison, "Merleau-Ponty Alive," *Man and World* 26 (1993): 19–44 at 26.
59. Madison, "Hermeneutical Integrity: A Guide for the Perplexed," 4.
60. Madison, "Envisaging Postmodernity," 19.
61. Friedman, 150.
62. Ibid.
63. Perelman, 14, emph. added.
64. Madison, *The Logic of Liberty*, 223.
65. Ibid., 222.
66. Friedman, 150.

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Jeffrey Friedman

TRUTH AND LIBERATION: REJOINDER TO BROOKS, SASSOWER AND AGASSI, AND HARRIS

My critics assume that the objectivity of moral truth is contingent on the discovery of some transcendent, nonhuman sanction for human values, but I contend that objective morality is a necessary feature of the situation faced by beings with freedom of choice, just as objective truth is a necessary feature of the situation faced by beings with the freedom to differ in their perceptions of the world around them. Both liberals and postmodernists ignore these necessary aspects of the human condition: liberals, by conferring intrinsic value on the freedom to choose the bad; postmodernists, by conferring intrinsic value on the opinions generated by discourse without regard for their veracity.

I am grateful for the opportunity offered by David Brooks's Reply ("The Problems of Postlibertarianism: Reply to Friedman," CRITICAL REVIEW 8, no. 1) to address some difficult questions. Although I have discussed these issues before,[1] they are sufficiently counterintuitive to warrant further attention.

Objective Moral Truth

Brooks misunderstands my defense of "objective" morality. By "objective" I mean *intersubjectively legitimate*. To choose to do one

CRITICAL REVIEW, Winter 1994. ISSN 0891–3811. © 1994 Critical Review Foundation.

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thing over another entails the judgment that the chosen course is better than all the courses foregone—not somehow better merely for the chooser, but better for anyone facing the same relevant circumstances. We cannot really believe, I argued, that the criteria governing our choices—that is, our values—are subjective in the sense of being "merely" personal preferences: otherwise we would not use those criteria rather than their competitors. An implicit or explicit belief in the intersubjective goodness of one's choices, and of one's choice criteria, is in my view a literally inevitable aspect of the condition of choice-making beings. The judgment that what one does is better than the alternatives is not, as Brooks writes, a "rule of universalizability" one may decide to disobey (88); my point is that it is an aspect of choice making that is *not* optional.

Let me put it more strongly. It is, it seems to me, logically impossible not to believe in the intersubjective legitimacy of one's choices. It violates the law of noncontradiction to believe both that something is legitimate under certain circumstances and that it is illegitimate under identical circumstances; but this is what value relativists claim to believe, since two people who in the same circumstances contradict each other's value judgments are, according to relativists, both right. My contention is not only that value relativists are wrong to make this self-contradictory claim, but that if they thought about it carefully enough, they would be *unable* to make such a claim. We cannot believe the same thing to be simultaneously true and false.

Against this view, a value relativist might deny that the situation facing two people with contradictory values *can be* relevantly identical, by claiming that their disagreement itself—i.e., the divergence of their pregiven values—makes the decisive difference in their circumstances. In other words, the relativist might argue, it is right for two people to choose conflicting actions in what is otherwise the same situation, simply by virtue of the fact that each thinks different values are legitimate in that situation. But this solution overlooks the fact that each person must decide what values are legitimate in the first place. Certainly we may have pregiven dispositions toward one action or value or another, but in order to give free rein to these inclinations rather than suppressing them, we must, consciously or by default, decide that our inclinations should be decisive, and this meta-decision itself must be held to be intersubjectively legitimate. Ultimately relativists must deny that we

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could decide otherwise—a denial of freedom of the will that flies in the face of the lived experience of any self-conscious human being.

Once free will is granted, so is the putative intersubjective legitimacy of what we choose. We are "creatures who have the power to choose what to 'want,'"[2] not in the sense that we have complete control over our psychological impulses, but in the sense that we experience the freedom to choose whether to endorse and encourage a given impulse by indulging it in action, or repudiate and stifle it by choosing a course of action at odds with it. When Brooks rejected the military life, he endorsed his preferential discontent with it, effectively declaring this preference to be intersubjectively legitimate—or more likely, he endorsed as intersubjectively legitimate the view that one should not spend one's life in a career that would, due to one's contingent preferences, make one miserable. But had he rejected this view in favor of, say, the view that the military is so noble that its tawdry aspects are worth tolerating, or had he been in the midst of a war he felt obliged to fight, he might have chosen as the intersubjectively legitimate course of action remaining in the military despite distaste for it.

Clearly, a great deal rests on my equation of objectivity with intersubjective legitimacy. This allows me to redefine values that are conventionally thought to be merely subjective, and hence only relatively true, as being objectively true. The sense in which one must "implicitly believe" in the intersubjective legitimacy of one's values is purely tautological (although it is reflected, I think, in our psychological tendency to come up with rationalizations for our actions that either purport to justify them as good, or else excuse their badness by characterizing them as compulsions). Yet this tautology seems to clarify a real truth. This can be seen by specifying the assumption that undergirds the conventional understanding of objectivity and subjectivity that my redefinition replaces. This assumption, which may be labeled the "transcendental error," holds that what differentiates objective moral truths from mere subjective opinions is that the former have an *extrasubjective origin*.

Thus, in the conventional view, if there were a Platonic Idea of the Good to which our choice criteria corresponded, or if those criteria embodied the commands of God, then and only then could we claim that our values were binding on all relevantly situated beings. This reflects a misunderstanding of the human condition. Even if our values emanated from a transcendent Idea of the Good

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or from the will of a transcendent God, after all, we would still face the antecedent question of whether the Idea or God's will *should* be obeyed, and in answering this question we could have no transcendent recourse. That is, even those who make the transcendental error smuggle into it the initial judgment, which itself must have an immanent source, that what is transcendent is authoritative. This performative contradiction demonstrates the impossibility of repudiating our freedom of the will. Given freedom of the will, it becomes apparent that the transcendental error has things backwards: rather than transcendence conferring objectivity, it is subjectivity that confers transcendence: what it means to be a freely choosing being is to be a being who must decide what is valuable, and these decisions, brought about by the necessity of doing one thing rather than another, have, in practice, all the intersubjective legitimacy that the conventional view attributes to values that originate in a transcendent realm.

The transcendental error misleads us into thinking that the "existence" of intersubjectively legitimate values is a matter for us to "discover." Whatever values have not been discovered to have transcendent origins are, in this view, "merely subjective." If no values have been found to have transcendent origins, then there are no intersubjectively legitimate values at all. But the invidious distinction between objective and subjective values, with its disparagement of the latter, is founded on a conflation of transcendent origins with transcendent legitimacy. Since this conflation, the transcendental error, is untrue to the unshakeable perception of our free will, we need a different set of definitions that better reflects the human condition. This is what I have tried to provide.

My redefinition of objective morality makes a belief in the objective legitimacy of whatever one values inescapable. But, Brooks asks, how do we get from an ineluctable *belief* in the intersubjective truth of values to their *actual* truth? We are already there. Far from needing to establish the transcendent truth of moral values "by separate argument" (89), what it means for us to necessarily believe in the objective truth of something is precisely that that thing is true—that is, that we have no alternative to viewing it as true not just "for us," but "for real." We cannot stand apart from beliefs we *must* accept. In this sense value relativism, like skepticism about free will or about the laws of logic, is literally an impossible position to hold. The performative contradictions besetting skeptics about value objectiv-

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ity, the laws of logic, and freedom of the will are significant not in proving that the skeptics are hypocrites (which would be an ad hominem argument) or in catching the skeptics in contradictions (which would hardly faze skeptics about logic). Rather than showing merely that skeptics are not consistent, these performative contradictions show that one *cannot* be consistently skeptical. It simply is not within the power of logical beings to reject logic—that is, to hold in their minds two logically incompatible claims at the same time. Nor can choice-making beings embrace either determinism or subjectivism when it comes down to acting—as opposed to theorizing about acting. Our "belief" in free will, objective values (and by the same token other objective truths), and the laws of logic are built into the structure of our minds.

Therefore, I cannot concede that the termination of chains of moral logic in first principles that cannot be further justified renders them "arbitrary" (87). I literally cannot concede it—nor, I maintain, can Brooks or anyone else. Even were I to claim that moral first principles are arbitrary, I would have no alternative but to go on making choices that presuppose the goodness of such principles, disproving with deeds the possibility of the concession I made in words. But if we cannot possibly accept the arbitrariness of values, if we are ineluctably bound to believe in their objectivity, this means that they *are* objectively true.

Unfortunately, though, we are not ineluctably bound to believe that any *particular* value is objectively true, but only that some value or another is. We must indeed, then, face "the problem of deciding which of the putative transcendental truths is the Truth" (89). The situation we find ourselves in is that we must use—and believe in the intersubjective goodness of—some choice criterion or another, but in post-traditional societies it can be exceedingly difficult to decide which one(s). Between the various values we might think are true there can be no infinite regress of justification, so I see no alternative to Brooks's conclusion that, strictly speaking, "disputes involving choice of moral axioms are rationally unresolvable" (88). Yet this unresolvability cannot mean that there are no objectively legitimate values; the only reason we are tempted to think it does is that we have been trained to locate objectivity not in our problem situation as choosing beings, but in transcendent value sources. The very idea of trying to justify our ultimate justifications—or if that is not possible, trying to dispense with objective values en-

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tirely in favor of "radical pluralism" (ibid.)—is founded upon the transcendental error. Neither a transcendent stopping point for our justifications nor a repudiation of all foundations would, in reality, spare us the messy and unsatisfying task of (implicitly or explicitly) starting from unjustifiable principles that we cannot but believe to be objectively legitimate. For we would still have to start there in order to confer legitimacy on transcendent foundations, or in order to select which of the plurality of values to use in making our own decisions.

Truth vs. Freedom

Since my claim that objective moral truth is a logical necessity does not rest on the discovery or the content of "an" objective morality (85), I was not being coy (87) in failing to specify my view of the objective criterion of the good. The content of the good is irrelevant to the logical necessity of pursuing one good or another. By developing a version of positive libertarianism I sought to explain that negative libertarianism, which confers intrinsic (rather than instrumental) value on the freedom to do what is wrong, ignores this logical necessity at the price of incoherence. To choose, as human beings must, means to turn away from bad options and toward good ones. Positive libertarianism points out that the only type of freedom that could be both consistent with this situation and valuable in itself is the freedom to do what is good. There is no intrinsic value in being able to choose actions from which one will turn away because one judges them to be bad. The freedom to choose between good and evil is only good when it eventuates in a good choice (or when it eventuates in some other good consequence, such as the training of the will to do what is good, or the avoidance of armed conflict among those trying to impose competing visions of the good). Negative libertarianism incoherently endorses the capacity to do evil as being intrinsically good, something to be promoted as an end in itself.

Negative libertarianism, then, is by no means a "system of morality" (88) that is insulated from arguments made by those who do not accept its axiomatic normative premise. Nor, for that matter, is positive libertarianism such a system. Instead, the latter is a vindication of all systems of morality against negative libertarian "neu-

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trality" among axiomatic normative premises—which, if it were coherent, would amount to a repudiation of all norms, but which, being impossible, merely ends up obscuring them. The positive libertarian is able to make arguments against the negative libertarian in a fashion unavailable to the adherent of one ultimate moral premise who disagrees with the adherent of another because, in valorizing the ability to choose to do either good or evil, negative libertarianism confers value not on an ultimate normative premise but on all (noncoercive) ultimate premises. Since these premises may contadict each other—given the claim to intersubjective legitimacy inherent in all values—endorsing them all is self-contradictory.

When I say that "positive libertarianism is . . . privileged over other positions" (ibid.), I am merely saying that it is good to do whatever is good. This is not an axiom; it is a truism (although one that may, when contrasted to negative libertarianism, be illuminating). It does not resolve the issue of what *is* good; it does not, therefore, constitute a defense of any particular code of ethics or depend on any particular normative first principle.

In addition to this global objection to negative libertarianism (i.e., to liberalism), I made an argument that applies only to its right-wing variant (i.e., to "libertarianism"). This argument begins by noting that by limiting every individual's freedom in order to accommodate that of every other individual, libertarians effectively make equality more important than liberty. Or more accurately, against Raphael Sassower and Joseph Agassi's dichotomization of liberty and equality ("Against the Posts: Reply to Friedman," CRITICAL REVIEW 8, no. 1), my argument agrees with Amartya Sen that even extreme libertarians are egalitarians in defining freedom in such a way that it is distributed equally.[3] The question is, how can libertarians justify the narrow scope of their egalitarianism? Why should *liberty* be distributed equally, but not other things?

Brooks correctly notes that a libertarian who made a first principle out of "legal equality" (by which he presumably means status quo property relations, protected by Western legal systems) to the exclusion of "social equality" (Brooks, 88) would, strictly speaking, be immune to this argument. Since such a "libertarian" would not be defending the intrinsic value of liberty, but the intrinsic value of private property, let us call her a *proprietarian* rather than a *libertarian*. A proprietarian could pit her narrowly egalitarian normative

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first principle against social democrats' more expansively egalitarian first principle, and the result, as with all contests between axioms, would be a logical draw.

It could not be a moral draw, of course, since one would have to make a choice between the two. But even beyond the sense in which one must choose one value over another, it seems to me that it would not be a moral draw because one can bring considerations to bear for some moral first principles and against others (with the assistance, of course, of meta-principles, between which the choice must ultimately be free of other considerations); to the extent that people find themselves disagreeing about first principles, such considerations should, perhaps, be a subject of the conversation of humankind concerning morality. I have in mind intellectual, cultural, or psychological genealogies of first principles that might expose how their plausibility rests on superseded historical conditions or ideological imperatives.

For example, it might undermine a proprietarian's faith in her first principle if she discovered that her preference for it is actually an ideologically inspired dogmatization of empirical claims about the economic benefits of free markets. Perhaps she read an economics treatise or a novel that persuaded her that laissez-faire capitalism would be good for people: that is, she became convinced that prosperity is good for people and that laissez faire is conducive to it. In that case, one might say that she originally supported laissez faire out of a consequentialist devotion to "the common good." (I fail to understand why Brooks does not allow such a common good to be the moral good toward which a positive libertarian might aim [91].) It would seem to follow that her axiomatic choice criterion was the maximization of human welfare-cum-wealth, and that the political and economic policies she favored were contingent on social scientific evidence as to what best promotes that value.

But then, perhaps following the lead of Robert Nozick, Ayn Rand, or Murray Rothbard, she may have leapt to the unwarranted conclusion that laissez faire is *intrinsically* good. This move would have relieved her of the uncertainty inherent in basing her politics on empirical investigations into the sources of human wealth/welfare. This, I argued, is the typical phenomenology of proprietarian libertarianism.[4] It traduces the commitment to human welfare that is implicit in the original endorsement of laissez faire. For

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once one contends that capitalism is good not because of the good effects it produces but intrinsically, then free-market economics and all other forms of empirical investigation become irrelevant (or, more accurately, they become propaganda with which to try to gain support for one's a priori conclusions among those who do not accept the intrinsic justice of capitalism). Even if free-market economics turned out to be unsound, private property would remain just as intrinsically valuable as before. A consistent proprietarian would have to be prepared to defend mass starvation or misery in the name of the higher good of private property—if it turned out that the latter caused the former.

Now a first principle that makes the particular property relations that happen to have evolved in the modern West more valuable than human life or welfare hardly seems to be a plausible starting point for political choice making. That is to say, I think such a doctrine is objectively wrong, even though I obviously cannot "prove" it. While one may doggedly adhere to such a doctrine anyway—just as one might cling to Nazism or, perhaps, to a vulgar egalitarianism that took the equal distribution of income to be intrinsically valuable even if *this* led to mass starvation—it is my belief that most libertarians are reasonable people who do indeed care about human welfare (even if—for reasons that could also be genealogized—they tend to have a narrowly materialistic view of what welfare involves) and who are, therefore, badly served by the proprietarian dogma they have come to accept. To prefer that people adapt themselves to pauperization rather than infringe on the sanctity of private property—should it turn out that the two go hand in hand—would be a perverse conclusion to draw from a doctrine originally inspired by economic scholarship. None of this can be established conclusively, but that is to be expected.

Two misunderstandings cloud the conclusion of Brooks's Reply. First, he misconstrues "moral totalism." My "equivocation" (90) in using the term "moral" is as common as it is inconsequential. We often use the term "moral" both to designate actions or considerations falling within the purview of a certain "moral" sphere *and* to designate, within that sphere, the subclass of choices that are good. Thus, Adolf Hitler made many decisions on "moral" issues, even though his decisions on those issues were often far from moral. Because the usual distinction between "moral" and "preferential" spheres obscures the fact that both spheres require us to make

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choices, I proposed that we expand the "moral" realm so it is seen to encompass all choices. But this does not mean that I think all choices are moral in the sense of being good!

Second, Brooks's long discussion of "moralization" (92–93) is based on another misunderstanding. The goal of moralizing people, or trying to arrange society so that people need not be forced to do what is good because they voluntarily will it, is, I argued, what results when thinkers like Marx attempt to combine positive libertarianism with negative libertarianism. Since I view negative libertarianism as incoherent, "moralization" is, in my view, a distortion of positive libertarianism that "amounts to a fetishism of conscientiousness" which continues to mark our culture.[5]

Positive libertarianism "seeks morally good people regardless of the social, economic, or political consequences" (92) *only* when the particular "good" it aims for is the extension of negative liberty to all. For when negative liberty is not arbitrarily restricted to private property rights, but is extended to its logical limit in completely free individual self-determination, it is plausible to think that the attendant social arrangements will require constant cooperation rather than coercively enforced obedience to inflexible rules. If cooperation is to occur without compulsion, it will only be if each of us wills that all of us be completely self-determining. Marx thought this would be possible when when the economy no longer fostered class antagonisms and false understandings of economic value; these are, for him, what prevent us from knowing and willing the good—i.e. the negative freedom—of all. But if, as I advocate, we drop the notion that negative liberty is intrinsically valuable, then we can seek to produce good consequences (however we define them) even through institutional arrangements that do not "isolate the will from heteronomous influences" (92). Postlibertarianism is a form of positive libertarianism that, because it is *not* combined with negative libertarianism, is concerned with the consequences, not the motives, of actions.

Brooks has put his finger on some of the real difficulties inherent in my view of the nature of moral choice making. These are problems not of postlibertarianism but of positive libertarianism. Yet since they seem to mirror the problem situation human beings confront, I view them as confirming, not rebutting, positive libertarianism. By recognizing that we unavoidably make claims to moral objectivity all the time, positive libertarianism exposes how

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liberalism, in positing a right to do what is wrong, entails an impossible moral subjectivism.

Postlibertarianism—one of *many* conceivable approaches to political philosophy that are consistent with positive libertarianism (that is, one of many nonliberal approaches)—returns to the consequentialist first principle from which proprietarian libertarianism marks a deviation. Postlibertarianism means pursuing that first principle by means of comparative, transhistorical, cross-cultural investigations—spanning psychology, sociology, anthropology, and political science, as well as economics—into the sources of human welfare. To me, this means inquiry serving to flesh out a very broadly construed utilitarianism that would *not* privilege people's existing desires. Such an inquiry should give due recognition to the material abundance made possible by capitalism, but in seeking human well-being it should not make of capitalism a totem, either by converting private property into an intrinsically valuable end or by prejudging whether the benefits of laissez faire outweigh its costs.

Epistemologies of Liberation

The logical necessity of objective values is a special case of the logical necessity of objective truth in general. While value relativism is implicit in negative libertarianism, a more inclusive skepticism is explicit in postmodernism. Just as the conflation of transcendent sources of value with objective legitimacy can lead to value relativism when such sources are not discovered, the conflation of objective reality with certainty about it can lead to skepticism when one notices the differences in and fallibility of human perception. I strongly concur, then, with Sassower and Agassi's suggestion that it is a mistake to assume that absolute truth is inseparable from absolute certitude. The distinction between truth and certitude applies in the moral realm as well as in the (broadly speaking) "scientific" one—in the kingdom of ends as well as the kingdom of facts. Just as no proof should be considered infallible, neither should any moral first principle. While we must think that whatever it is that we believe is true or good is objectively true or good—otherwise we would believe something else—we need not delude ourselves into thinking we may not, in the future, end up

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changing our minds about the particular things we believe to be objectively true or good. When I choose action *B* over action *A*, I remember that I once thought it best to choose *A* over *B* in precisely the same circumstances, and I accept that I was wrong then and may be just as wrong now—either because I may be reasoning incorrectly from my premises or because I may have chosen immoral premises. Fallibilism does not preclude—indeed, it rests upon—making claims to objective truth.

Thus, Ingrid Harris is quite wrong to assume that my argument for the inevitability of objective truths entails the claim that such truths must be known with "absolute certainty" ("Instincts into Sacred Cows: Are Hermeneutical Universals *Reducible* to Agreement? Reply to Friedman," CRITICAL REVIEW 8, no. 1, 116). Indeed, all the failings she attributes to Western philosophy stem from its alleged infallibilism, not its objectivism.[6] Conversely, without objective truth as the ideal against which errors may be discerned, it is difficult to imagine how postmodernists would go about trying to "avoid self-delusion," as she recommends (125). Bereft of a standard of objective truth against which participants in the "ongoing conversation" could criticize interpretations of the world, hermeneutical dialogue becomes academic in the worst sense—a pointless exercise in wordplay. But since in fact the idea of objective truth is inescapable, a completely open-ended, "academic" conversation is impossible: arguments that fail to bring evidence or logic to bear must be ruled inadmissible, overtly or tacitly. It is surely true—it is the fact out of which postmodernists try to make a value—that a given discursive community always determines what counts as evidence or logic. But if it does so, as postmodernists recommend, while repudiating its commitment to reaching truths that transcend communal fiat in their legitimacy, then its unacknowledged assumptions about which truths do, in effect, have transcendent status will become the surreptitious gatekeepers of the conversation, themselves immune from criticism.[7] The difference between fallibilists and postmodernists is that since the latter undermine the very idea of transcendent truth, they are much less likely than the former to own up to their truth claims so that these may be criticized.

Harris's response to this charge is to remind us that rationalists can be as dogmatic as postmodernists. This is a non sequitur. Human failings aside, the point is that postmodernism *encourages* dog-

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matism by repudiating the one ideal that *in principle* can keep interlocutors honest.

In the article to which Harris is responding, I wrote that

> we can agree with postmodernism that truths are indeed judged only by interpretive communities on the basis of persuasiveness. But in so judging, those communities, and their members, *must* think they are doing something more: striving after (fallible, yet transcendent) Truth. Otherwise, they would have no criteria of what counts as persuasive—and this is *impossible*: contradictory immanent positions *must* be chosen between.[8]

In Harris's view, by contrast, it seems that there are either transcendentally imposed certainties, or else there are subjectively agreed-upon hypotheses—but the latter are not hypotheses about objective reality. Either a transcendent realm compels our agreement about what is certain, or else when we agree that something is true, we do not think it is true in a way that transcends our agreement. This dichotomous view invites dogmatism, no matter which horn of the dilemma one chooses. Both horns spring from the transcendental error, which mixes up extrasubjective sources of truth, absolute certainty about truth, and the objectivity of truth. Without the first and the second, we supposedly cannot have the third. Fallibilists, however, can renounce the second without giving up the third; and I have from the beginning contended that we can renounce the first without giving up the third because, regardless of whether truth originates from "beyond," we have an ineluctable belief in the objective validity of whatever we believe.

Harris responds to my contention elegantly: she simply declares that "there is . . . no [such ineluctable] belief" (125). She substantiates this *ex cathedra* pronouncement by quoting another one, from Donald McCloskey, who writes that " 'there are no timeless standards outside those of an interpretive community' " (ibid.). These assertions contain an implicit performative contradiction: they are claims about the way things *really are* that, if true, would mean that there is no such thing. Only if Harris's assertion were untrue could its implicitly universal claim be true; and only if McCloskey's assertion were untrue could standards exist that would allow its implictly universal claim to be adjudged true. The statements, in refuting themselves, illustrate the claims to objective truth that are logically inherent in all argument.

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Harris replies that it is no more self-contradictory to assert that objective truth is a myth than to assert "that there is no Santa Claus" (128). But what if nobody agreed with this assertion? What if the discursive community were convinced that Santa is real? If there are no extracommunal standards of truth—even implicit in communal standards—then how could Harris justify her disagreement with the community's convictions? Does not this disagreement entail a leap from the communally relativist to the infallibilist horn of the dilemma? In order to preserve the dogma of communal relativism, Harris has followed McCloskey in repudiating it. For suddenly, the nonexistence of Santa Claus—like that of "timeless standards outside those of an interpretive community"—is true *regardless* of what a discursive community (say, that consisting of children in the case of Santa, or of rationalist philosophers in the case of timeless standards) thinks. If such universally true statements are valid, though, why insist contradictorily that there are no extracommunal standards of truth?

As the article to which Harris is responding pointed out,[9] postmodernists without the courage of their convictions—which is to say sensible ones—must somehow bring objective truth in through the back door. Madison and Harris do so by distinguishing between Truth and " 'small-t' truths made in experience" (128). The question is, of course, what "small-t truth" means. If it refers, postmodernistically, to truth that is wholly dependent on an interpretive community not only in its origins but for its very veracity, then if the discursive community believes in Santa, the experientially made small-t truth is that Santa *does* exist; and if the discursive community believes in objective truth, the small-t truth is that large-T Truth is true, and postmodernism is wrong. On the other hand, perhaps Harris's mysterious (Hegelian?) allusion to "validity that transcends a claim's immediate persuasiveness" (ibid.), her "appeal . . . to the future" (129), and her quotation from Madison on " 'the *pursuit* of truth' " (128) are meant to imply that small-t truths entail nothing more than an open-minded objectivism. Despite her many denials of transcendent truth, Harris even endorses my central claim that " 'for a community to find a claim persuasive *means* that it attributes transcendent validity to it' " (ibid.). Perhaps, therefore, small-t truths differ from large-T Truth only in that the former entail no claims of certitude or metaphysical origins, and Harris and Madison are postmodernists only in the sense that Sas-

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sower, Agassi, Karl Popper, and I are. But in that case, bringing persuasiveness, agreement, and consent into the discussion is rather misleading. To couch an objectivistic hermeneutics in terms of consensual opinion rather than fallibilistically appreciated truth is to hopelessly muddy the waters. To grant that "objectivity" is an acceptable term but to link it with the consensus of " 'an entire discipline or, even more, an entire culture' " (130) is to take back with one hand what the other has given—as is the practice of characterizing hermeneutical agreement as rational, but defining reason as "unconstrained consent" (127).

Like Sassower and Agassi and like me, Harris and Madison are attempting to stake out a middle ground between relativism and the unnecessary metaphysics and certitude of some rationalists. The Achilles' heel of their effort seems to me their addiction to the rhetoric and substance of libertarianism, which makes them flirt with postmodern excesses that are worse than anything Platonists have proposed.

Even when a given rationalist happens to have a dogmatic cast of mind, his affirmation of the standard of truth allows others to criticize his ideas. Conversely, while particular postmodernists such as Harris and Madison may exemplify open-mindedness, the ultimate outcome of their denial or minimization of the fact that what they have an open mind about is the way things really are seals the victory of closed-minded dogmas about the way things really are. For those who disagree with a hegemonic consensus are barred from dissenting from it if those to whom they might appeal accept the notion that the dogma in question is small-t true because, to paraphrase Richard Rorty, it is what "WE believe."[10]

In her preoccupation with ending philosophical "coercion," Harris confirms my original article's suggestion that postmodernism is a program of epistemic liberation from the constraints imposed by the conscious pursuit of objectivity—i.e., reason. This program has roots that are as much political as they are philosophical—although the two are, it seems to me, ultimately indistinguishable. Postmodernists seem convinced that "reason is in the end nothing more than subjectification and objectification in the service of *domination*,"[11] and as such is responsible for the disasters of recent history, which, depending on the postmodernist in question, may include fascism, Communism, colonialism, capitalism, and/or cultural imperialism. In short, postmodernism is a *re-*

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ductio ad absurdum of libertarianism, although one that, unlike traditional libertarianism, is cognizant of the fact that knowledge is a form of power (even if it literally cannot be *equated* with power without performative contradiction—see Stanley Fish). The libertarianism at the heart of postmodernism explains Harris's unjustified assumption that I am wary of converting a discursive community's "instincts into sacred cows" not because this would spell the end of truth seeking but because it would constitute "the oppression of one group by another" (114).

Libertarian epistemology leads to philosophical incoherence as surely as libertarian politics leads to moral incoherence. By tacitly acceding to the Platonic diremption of objectivity from subjectivity, Harris finds herself putting opinion on the same unimpeachable throne once reserved for truth. Opinion is agreement, and agreement is obtained noncoercively, so the result of turning Plato on his head is to make consensus rather than veracity the regulatory ideal. Like all forms of negative libertarianism, this is self-contradictory. Just as choice is *necessarily* among the better and the worse, opinion is necessarily about the true and the false. It makes no more sense to make free thought an end in itself than free choice. Reversing this understanding of the status of choice and opinion dooms us to making choices and believing things out of prejudice rather than critical reasoning. "Consent freely given" (123), in philosophy as in politics, means the elevation of surreptitious over explicit standards of truth.

In philosophy as in politics, the first defense against this charge is to appeal to procedural neutrality; thus Harris quotes Madison echoing Hayek on the neutral properties of the " 'general principles' " upheld in hermeneutical discourse (124). If my objections to postmodernism concerned "favoritism and oppression" this would be a plausible (although not, I think, a successful) response, but since they did not, it begs my question. It is not out of fear that some people's opinions will be surreptitiously favored and others' oppressed that I oppose postmodernism: favoring true opinions and oppressing false ones is exactly what is allowed by the regulatory ideal of objective truth that I defend. What I fear is that by attempting to repudiate truth and falsehood, postmodernism substitutes an egalitarianism of opinions—either those of individuals or those of communities—that licenses the equals to stick to their convictions thoughtlessly, even when they are erroneous. To make

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consensus rather than truth decisive may formally ensure that "hermeneutical standards exist by being continually open to challenge" (126), but at the same time it renders this formal neutrality a dead letter by removing the basis on which dogmas that command widespread consensus might be challenged.

A philosopher king who rules wisely is not a bad ruler, despite the inequality between his opinions and those who are less wise. But one who claims the crown without displaying the requisite wisdom can be dethroned by those who falsify his pretensions—as long as there is a criterion of truth that makes falsification meaningful. Obviously, procedural safeguards—even the requirement of popular consent—might be called for by the practical difficulties in dislodging the unwise, but postmodernism, like liberalism, makes these instruments of the good into ends in themselves. Placing intrinsic value on unconstrained consent makes it that much harder to challenge beliefs that happen to command it. Postmodernists are encouraged to be intransigent by epistemic egalitarianism, just as liberals are discouraged from reflecting on what is good by the equal individual right to do what is bad. The price of increasing a community's "tolerance toward . . . other interpretations" (125) by, yes, *reducing* the criterion that might decide among them to mere agreement—no matter how prettified—is to sublimate the inevitable conflict of interpretations to the prephilosophical, unspoken level, or else to substitute interpretive conformity for it. It is no accident either that the postmodernist reduction of knowledge to power has found such fertile ground in liberal communities, or that the result has been the severe curtailment of the possibility of self-critical debate.

Avoiding the Libertarianisms

Postlibertarianism begins with a *critique* of negative libertarianism in general and free-market libertarianism in particular.[12] From there it reclaims the original, welfarist impetus behind free-market libertarianism and, so as to be true to it, brings into question whether minimal statism is indeed the best way to achieve it. This questioning requires empirical studies of the effects of capitalism, the democratic interventionist and redistributive state, and so forth. Such studies attempt to investigate reality as it really is. Thus, both in

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inception and in execution, postlibertarianism relies on the possibility of (moral and scientific) truth. If it were (as Sassower and Agassi seem to think it is) a new version of the "supremacy of the autonomy of the individual" (97), not only would there be no reason for postlibertarianism, but it could not get off the ground: individualism simply democratizes the transcendental error, giving to our pregiven preferences the arbitrary authority by which God supposedly could short-circuit the ineluctable process of choice. In doing so, individualism relativizes judgments of the good. But it is just this relativism that is the target of my critique of negative libertarianism.

The reason I criticized postmodernism, bringing Sassower and Agassi to the "round table," is that postmodernism, too, obviates postlibertarianism by precluding any critique of the negative libertarian prejudices of our liberal community of discourse—and by rendering worthless empirical studies that rely on claims to fallible yet objective veracity. The relationship between postlibertarianism on the one hand, and postmodernism and libertarianism on the other, seems to me antagonistic—just as the relationship between postmodernism and negative libertarianism seems to be symbiotic in ways that, to my knowledge, have yet to be explored in any detail.

For the most part, Sassower and Agassi's approach both to philosophy and politics is congenial to my own. Space constraints preclude a full appreciation of the convergences, so having already noted my agreement with the way that, as I understand it, their fallibilism gives due recognition both to the local origins of all knowledge and to its transcendent aspirations, let me register only one reservation. By grounding their fallibilistic absolute truth in "common sense" and "good manners" rather than in necessity, and then by equating good manners with egalitarianism, it seems to me that they carry the relativistic, negative libertarian Trojan horse into their own precincts. Sassower and Agassi seem to be saying that *if* we accept the Western code of manners, which privileges equal epistemic liberty, then we will be forced, as it were, to provide reasons for our beliefs, not out of respect for Truth, but out of respect for each other. Starting from the same code of manners, though, someone like Harris can condemn the demand that opinion be backed by reasons and evidence as a closed-minded and tyrannical imposition of the ways of a rationalistic community on

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people who prefer "alternative forms of reasoning" (115). Against this accusation Sassower and Agassi would appear defenseless, since they have surrendered the ability to claim that their middle ground is *superior to*—more truthful than—its competitors.

Obviously, adherence to rules of evidence, as to logical, political, or any other rules, is as a practical matter rooted in the "manners" of some community, even if only the community consisting of a person's dialogue with herself. I do not belittle the importance of these manners: to take Harris's examples, goodwill is crucial—but it seems to me to mean a commitment to test one's opinions against the possibility that they are self-serving dogmas; and friendship, rather than involving the endorsement of one's friends' self-deceptions, means a commitment to one's friends' well-being that may require unmasking their delusions if this will serve their well-being. Inherent in goodwill and friendship and in any other manners worth inculcating—inherent in any dialogue, and in any thought—is, it seems to me, an orientation to reality, that is, to perceived truth. By the same token, we join one community rather than another because we agree that its ways are *best*; we stay in the one in which we were raised because we view its certitudes as *warranted*; we argue with it when we think it has fallen into *error*. To make all of this the conclusion of an argument based on the opposite principle—that of respect for the given rather than the good, the believed rather than the true—rather than disputing that principle to begin with, seems to me unsound not only logically but strategically.

NOTES

1. Jeffrey Friedman, "After Libertarianism: Rejoinder to Narveson, McCloskey, Flew, and Machan," CRITICAL REVIEW 6, no. 1 (Winter 1992): 113–52, at 126–34.
2. Ibid., 133, quoted in Brooks, 6.
3. Amartya Sen, *Inequality Reexamined* (Cambridge, Mass.: Harvard University Press, 1992), 22.
4. Jeffrey Friedman, "The New Consensus: II. The Democratic Welfare State," CRITICAL REVIEW 4, no. 4 (Fall 1990): 661–66.
5. Ibid., 654. For some evidence of what Albrecht Wellmer calls Marx's aspiration to "an almost unlimited freedom of the individual" ("Models of Freedom in the Modern World," in Michael Kelly, ed., *Hermeneutics and*

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Critical Theory in Ethics and Politics [Cambridge, Mass.: MIT Press, 1990], 228), see Friedman, "After Libertarianism," 121–22.

6. I say "alleged" because for reasons spelled out below, it is not clear to me that the charge of infallibilism is true of foundationalism per se rather than of particular foundationalists; thus, when I refer subsequently to Plato, I accept for the sake of argument the view that his doctrine is infallibilist, without committing myself to its veracity.

   At the very least, the association of Western philosophy with infallibilism is outdated. As Habermas writes in reference to Heidegger, Adorno, and Derrida,

   > They are still battling against the "strong" concepts of theory, truth, and system that have actually belonged to the past for over a century and a half. . . . They believe they have to tear philosophy away from the madness of expounding a theory that has the last word. . . . If reason were bound, under penalty of demise, to hold on to these goals of metaphysics . . . then an *adequate* critique of reason would really have to grasp the roots at such a depth that it could scarcely avoid the paradoxes of self-referentiality. . . . However . . . the fallibilist consciousness of the sciences caught up with philosophy, too, a long time ago. With this kind of fallibilism, we, philosophers and nonphilosophers alike, do not by any means eschew truth claims. Such claims cannot be raised in the performative attitude of the first person other than as transcending space and time—precisely as claims. . . . But . . . we reckon upon the trivial *possibility* that they will be revised tomorrow or someplace else.

   Jürgen Habermas, *The Philosophical Discourse of Modernity: Twelve Lectures*, tr. Frederick Lawrence (Cambridge, Mass.: MIT Press, 1987), 408–409n28.

7. For evidence of postmodernists' dogmatism about their unexamined transcendent assumptions, see Jeffrey Friedman, "Postmodernism vs. Postlibertarianism," CRITICAL REVIEW 5, no. 2 (Spring 1991): 153–55.
8. Ibid., 152.
9. Ibid., 150. Cf., on Lyotard, Carl Rapp, "The Crisis of Reason in Contemporary Thought: Some Reflections on the Arguments of Postmodernism," CRITICAL REVIEW 5, no. 2 (Spring 1991): 261–90.
10. Richard Rorty, "Postmodern Bourgeois Liberalism," *The Journal of Philosophy* 80, no. 10 (October 1983): 583–89, at 587, describes morality as that which permits one "to say 'WE do not do this sort of thing.'"
11. This characterization of Derrida's position comes from Thomas McCarthy, "The Politics of the Ineffable: Derrida's Deconstructionism," in Kelly, 157, emph. added.
12. For this reason, W. William Woolsey ("Libertarianisms: Mainstream, Radical, and Post," CRITICAL REVIEW 8, no. 1 [Winter 1994]: 73–84) errs in contending that postlibertarianism is potentially a more radical version of libertarianism than that advocated by such "mainstream libertarians" as

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F.A. Hayek, Milton Friedman, and James Buchanan. The government activities supported by these economists represent *compromises* with the libertarian ethics they privilege in their definitions and defenses of freedom and contractarian consent. Surely there is a point beyond which such mainstream libertarians would be unwilling to accept further compromises of individual liberty, even if they believed that the result of further compromises would be to increase well-being. Postlibertarians, by contrast, would be happy to support, say, state socialism if it could be shown that this would improve people's well-being. What Woolsey calls mainstream libertarianism is just an inconsistent version of radical libertarianism, and like the latter oscillates between consequentialist social science and deontological moral philosophy. Cf. Friedman, "The New Consensus," 637.

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